

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**

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Personnel

PAY SETTING AND ALLOWANCES

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements Air Force Policy Directive (AFPD) 36-1, *Appropriated Funds Civilian Management and Administration*. For pay setting, this instruction prescribes the Air Force policy for setting pay rates for appropriated fund civilian employees paid under the General Schedule (GS) or under the Federal Wage System (FWS). It also prescribes procedures for approving recruitment and relocation bonuses, retention allowances, and supervisory differentials. It does not apply to other pay systems that are a hybrid or specifically exempt from coverage under Title 5 (for example, Physicians and Dentists Pay Plan, Acquisition Demonstration Project, AF Research Laboratory Demonstration Project, etc.). For more information on pay setting for other pay systems, please refer to myPers article “9798”, Pay and Compensation knowledge article at https://mypers.af.mil/app/answers/detail/a_id/9798/kw/9798/p/3. **For pay setting policy, it applies to the Air National Guard.**

For uniforms, this instruction establishes standards and conditions for furnishing uniforms or paying uniform allowances to direct hire Air Force employees paid from appropriated funds, **including Title 5 United States Code (USC) employees of the Air Force Reserve and Air National Guard.** However, it does not apply to employees furnished uniforms or paid uniform allowances under other laws or regulations, such as medical and food service personnel. It does not apply to non-United States citizen employees furnished uniforms or paid uniform allowances under labor agreements concluded with another government; and to persons furnished special clothing under AFI 23-101, *Air Force Material Management*.

This AFI may be supplemented at any level, but all supplements that directly implement this publication must be routed to AF/A1 for coordination prior to certification and approval. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*. Route AF Forms 847 from the field through the appropriate functional chain of command. The authorities to waive wing/unit level requirements in this publication are identified with a Tier (“T-0, T-1, T-2, T-3”) number following the compliance statement. See AFI33-360, Table 1.1. *Tier Waiver Authorities* for a description of the authorities associated with the Tier numbers. Submit requests for waivers through the chain of command to the appropriate Tier waiver approval authority. Ensure that all records created as a result of processes prescribed in this publication are maintained IAW Air Force Manual (AFMAN) 33-363, *Management of Records*, and disposed of IAW the Air Force Records Information Management System (AFRIMS) Records Disposition Schedule (RDS).

This Instruction requires the collection and or maintenance of information protected by the Privacy Act of 1974, 5 U.S.C. section 552a, authorized by OPM/GPVT-1, *General Personnel Records*.

This publication may be supplemented at any level, but all Supplements must be routed to the OPR of this publication for coordination prior to certification and approval. **(T-1)** Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*; route AF Forms 847 from the field through the appropriate functional chain of command. **(T-1)** The authorities to waive wing or unit level requirements in this publication are identified with a Tier (“**T-0, T-1, T-2, T-3**”) number following the compliance statement. See AFI 33-360, *Publications and Forms Management*, for a description of the authorities associated with the Tier numbers. Submit requests for waivers through the chain of command to the appropriate Tier waiver approval authority, or alternately, to the requestors commander for non-tiered compliance items. The use of the name or mark of any specific manufacturer, commercial product, commodity, or service in this publication does not imply endorsement by the AF.

SUMMARY OF CHANGES

This document has been substantially revised and must be completely reviewed. The AFI number has been changed to align with the governing AFPD. Alignment with the governing AFPD requires a change to this instruction’s number and the instruction incorporates and supersedes AFI 36-802, *Pay Setting* and AFI 36-801, *Uniforms for Civilian Employees*. Major changes include providing the methods for computing promotion entitlement when moving between pay schedules; for determining GS and FWS Highest Previous Rate (HPR) and GS Maximum Payable Rate (MPR); deleting the time requirement for applying HPR or MPR upon reemployment of former Federal employees into permanent appointments following a voluntary separation; given certain circumstances, allowing the use of HPR or MPR following temporary promotion; deleting references to the General Manager pay plan; provides clarification with regards to current AF employees selected for centrally-managed positions; outlines specific procedures to justify, validate, and support superior qualifications and special needs appointments and recruitment, relocation and retention incentives. Addresses alternate personnel systems and appropriate references. Lacking further applicability triggered the removal of the guidance on dual pay and dual employment. Guidance for managing overtime and compensatory time is now located in

AFI 36-807, *Scheduling of Work, Holiday Observances, and Overtime*. **Attachment 1** contains a revised Glossary of References and Supporting Information.

OVERVIEW

This Instruction provides guidance on Pay Setting; Grade and Pay Retention; Superior Qualifications and Special Needs Appointments; Recruitment, Relocation and Retention Incentives; Supervisory Differentials; Foreign Language Proficiency Pay; and Uniforms for Civilian Employees.

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Chapter 1

ROLES AND RESPONSIBILITIES

1.1. The Assistant Secretary of the Air Force for Manpower and Reserve Affairs (SAF/MR). Serves as an agent of the Secretary and provides guidance, direction, and oversight for all matters pertaining to the formulation, review, and execution of plans, policies, programs, and budgets addressing civilian pay.

1.2. The Deputy Chief of Staff, Manpower and Personnel (AF/A1). Develops policy, manages programs, and prepares guidance on approved policies and plans related to setting pay and allowances for all civilian employees. In collaboration with the Chief of Air Force Reserve (AF/RE) and the Director of the Air National Guard (NGB/CF), the Deputy Chief of Staff for Manpower, Personnel, and Services (AF/A1) develops personnel policy for pay setting.

1.2.1. Civilian Force Management Directorate (AF/A1C):

1.2.1.1. Establishes basic standards for furnishing uniforms or for paying uniform allowances for civilian employees.

1.2.1.2. Ensure all uniform regulations comply with legal requirements and DoD policy.

1.2.1.3. Approves MAJCOM or COCOM requests for exception to the stated policy for civilian uniform wear.

1.2.1.4. Gathers MAJCOM or COCOM requests for uniform wear or adoption and distributes to functional communities for review and recommendations for approval or disapproval.

1.3. MAJCOM, COCOM and equivalent Secretariat and Air Staff officials.

1.3.1. Manage civilian relocation, recruitment and retention incentives within assigned civilian pay budgets.

1.3.2. Oversee the justification and use of superior qualifications and special needs appointments.

1.3.3. Ensure compliance with pay setting rules and regulations as well as merit systems, equal opportunity, and diversity principles within assigned organizations.

1.3.4. Review requests for civilian uniform wear and forward them to AF/A1CM for approval.

1.4. Commander, Air Force Personnel Center (AFPC/CC).

1.4.1. Directorate of Personnel Operations, (AFPC/DP2), to include Operating Locations throughout the AF.

1.4.1.1. Works closely with the host CPS to set pay following statutory and regulatory policies and procedures.

1.4.1.2. HR Specialist will ensure justification packages for advanced in-hire appointments and for payment of relocation, recruitment and retention bonuses are prepared according to operating procedures, sufficiently justify the payment of the advanced rate or bonus, and are approved at the appropriate level of management (as prescribed by this Instruction). (T-3)

1.4.1.3. The AFPC will provide operational guidance and annual webcasts to the CPS who administers the recruitment, retention and relocation incentives program. (T-1)

1.5. AF Functional Authority:

1.5.1. Develops specific uniform design based on functional duty requirements, environmental factors and safety and health considerations.

1.5.2. Publishes uniform description and wear requirements in functional community AF guidance (instruction or manual).

1.5.3. Programs and budgets for funding of functional civilian employee uniforms. Conducts annual review of uniform allowance for revisions or updates. (T-1)

1.5.4. Estimates line item costs when establishing the maximum amount of the initial and replacement allowance (see [paragraph 8.3.1](#)).

1.5.5. Provides the allowance rates with documentation to AF/A1CM.

1.6. Unit commanders and supervisors will:

1.6.1. Identify positions requiring the wear of a uniform and initiate uniform authorization requests. (T-1)

1.6.2. Instruct employees when and how to wear their designated uniform. (T-1)

1.6.3. Determine the amount, type of allowance (initial or replacement), and inform the accounting and finance officer. (T-1)

1.6.4. Inform employees about the uniform allowance (if applicable).

1.6.5. Verify whether employees entering on duty in positions subject to uniform wear have been employed in DoD during the past year. (T-3)

1.6.6. Prepare a SF 1034, *Public Voucher for Purchases and Services Other Than Personal*, and forward it to the Financial Services Office to obtain a uniform allowance for an employee. (T-3)

1.6.7. Coordinate with Labor Relations Officer to ensure that all bargaining obligations are completed prior to implementation of uniform wear. (T-0)

1.6.8. When giving an employee a rented or purchased uniform, be sure that the cost does not exceed the actual cost of the uniform or the maximum uniform allowance, whichever is less. (T-1)

1.7. Financial Services Office will:

1.7.1. Determines the amount of uniform allowance the employee is authorized. (T-3)

1.7.2. Maintains a record of all uniform allowance payments for an employee. (T-3)

1.7.3. Furnishes information about established uniform allowances when the AF transfers employees within the DoD or rehires employees in the same type of position. (T-3)

1.7.4. Verifies that funds are projected annually to cover the relocation, recruitment and retention expenditures.

1.8. CPO at the host CPS will:

1.8.1. Inform MAJCOM, COCOM and equivalent civilian operating officials and supervisors about the provisions of this instruction. **(T-3) Note:** Headquarters Air Force (HAF), SAF/AAR in conjunction with the HR liaison performs this role for their customers.

1.8.2. The CPS or approval authority will ensure local approving and hiring officials receive proper guidance and training. **(T-1)**

1.8.3. Works with MAJCOM, COCOM and equivalent civilian officials and supervisors to develop justification packages for advanced in-hire appointments and payment of relocation, recruitment and retention bonuses sufficient to justify the payment of the advanced rate or bonus. **Note:** HAF, SAF/AAR in conjunction with the HR liaison performs this role for their customers.

1.8.4. HR Specialist within the CPS will ensure justification packages are prepared according to operating procedures and are approved at the appropriate level of management (as prescribed by this Instruction). **(T-3) Note:** HAF, SAF/AAR in conjunction with the HR liaison performs this role for their customers.

1.8.5. The CPS or approval authority will confirm incentive packages have complete documentation with written justifications and approval from either installation commanders or designated approval authorities. **(T-3)** Furthermore, packages will document annual recertification of recurring retention incentives. Identify and recoup incentives paid to employees not meeting required service periods after the employee receives written notification.

1.8.6. Verify whether employees who, within one year of previous employment in DoD, entered positions that have a uniform requirement. Verification may be via a review of the employee's electronic Official Personnel File (eOPF), or other available pertinent documents indicating whether an employee has received payment of a uniform allowance. **(T-1)**

1.8.7. Verify an eligible employee's voucher for allowance and forwards the voucher to the Financial Services Office with the request for payment. **(T-3)**

1.8.8. Request further verification of uniform allowance payment from the employee's former employing agency when a significant discrepancy exists between the information contained in the previous employment records and information reflected in the eOPF. **(T-3)**

1.9. Hiring Officials will:

1.9.1. Maintain the confidentiality of the pay setting process.

1.9.2. Permitted to make intent to hire offers when using Expedited Hiring Authority or Direct Hiring Authority to fill both locally and centrally managed positions (excludes centrally managed PALACE Acquires or COPPER CAPs).

1.9.3. Coordinate all actions with servicing AFPC or CPS HR Specialists to extend an intent to hire offer to an applicant, pending CPO/AFPC review and set pay. **(T-1)**

1.9.4. Develop justification packages for advanced in-hire appointments and payment of relocation, recruitment and retention bonuses sufficient to justify the payment of the advanced rate or bonus (as prescribed by this Instruction). **(T-0)**

1.10. Employees are: Responsible for reviewing their Leave and Earning statements bi-weekly to ensure their pay is at the rate appropriate for their assigned grade and step. Contacting their servicing CPS HR Specialist in the Staffing Section, for further salary information or explanation.

Chapter 2

PAY SETTING OVERVIEW

2.1. Authority and Guidelines for Pay Setting. Authority to set pay rates rests with the official who exercises personnel appointing authority (normally the Installation Commander unless otherwise officially designated). **(T-3)** The Director, Personnel Operations, AFPC/DP2, is delegated the authority to act for the appointing authority when setting pay rates for most AF positions. **(T-3)** Pay is set in accordance with the following guidelines:

- 2.1.1. Spend employment funds economically.
- 2.1.2. Don't pay more than needed to attract qualified individuals.
- 2.1.3. Pay employees fairly and equitably.
- 2.1.4. Consider the following in the process:
 - 2.1.4.1. Local conditions that affect the ability to recruit and retain qualified employees.
 - 2.1.4.2. How one employee's pay might affect other employees pay.
 - 2.1.4.3. The qualifications, skills, and service history of the employee compared to the requirements of the job.

2.2. General Rules for Selecting Pay Rates. The following regulations will be used in conjunction with 5 CFR, Part 531, Subpart B and 5 CFR, Part 532, Subpart D and the Office of Personnel Management's (OPM) - Federal Wage System, Appropriated Fund Operating Manual. **(T-0)**

- 2.2.1. Selecting Rates. The Directorate of Personnel Operations, AFPC/DP2, is authorized to select the proper rates of pay for employees in accordance with the personnel action taken. **(T-2)**

The hiring official does not have the authority to promise or offer an employee or a selectee a specific rate of pay. **(T-1)**

- 2.2.2. Exceptions. The pay setting guidance in [Chapter 3](#) should be sufficient to cover most situations. The appointing authority or designee may approve additional exceptions. Exceptions must be in writing and approved prior to the effective date of the personnel action that establishes the rate of pay. **(T-1)** Develop written exceptions to ensure consistent and equitable treatment of all employees. **(T-3)** MAJCOMs or COCOMs are authorized to approve command-wide exceptions to the pay setting policy for conversion or transfer to lower grade, as shown in [Paragraph 3.3](#), voluntary changes to lower grade as shown in [Paragraph 3.6](#) and reemployment to Term and Temporary appointments as shown in [Paragraph 3.2.1.2](#) and [3.2.1.3](#)

Chapter 3

PAY SETTING GUIDANCE AND PROCEDURES

3.1. New Appointment. For the purpose of setting pay for new employees who are entering the Federal government for the first time, a new appointment is the first appointment in Federal service, regardless of tenure (for example: permanent, term or temporary). Pay for a new appointment may be set as follows:

3.1.1. Minimum Step (Step 1). Pay is usually set at Step 1 for a new appointment. Step 1 is the minimum rate for GS, FWS, special rate, or other types of pay systems. Some demonstration projects and non-GS or non-FWS, such as Acquisition Demonstration Project, AF Research Laboratory Demonstration Project and Physicians and Dentists Pay Plan have their own pay setting guide for new employees. In addition, Cyber Excepted Service and DCIPS do not use Title 5, USC criteria for determining pay for new hires.

3.1.2. Higher than Step 1. In rare cases, an employee's pay may be set beyond Step 1 for a new appointment. Document the approval on the Standard Form (SF) 50, Notification of Personnel Action. **(T-0)**

3.1.2.1. Pay may be set beyond Step 1 for GS positions based on superior qualifications or special needs pay-setting authority (5 CFR, Section 531.212(a) (i), *Superior qualifications and special needs pay-setting authority*, current edition) and further described in [Chapter 5](#) (excludes centrally managed PALACE Acquires and COPPER CAPs).

3.1.2.2. Pay may also be set beyond Step 1 for FWS positions based on special qualifications (5 CFR, Section 532.403(b), *New appointments*, current edition”).

3.1.2.3. Setting pay beyond Step 1 for FWS positions is possible when the lead agency for the wage area designates a step-rate above Step 1 of a grade as the minimum step-rate for hard to fill positions.

3.2. Reemployment. Pay for an employee with prior civilian service employment in the Federal Government is set at the minimum rate of the highest applicable rate range for the employee's position of record, using HPR or MPR, whichever is more beneficial to the employee. **(T-0) Note:** Do not use rates of pay for periods of time when the employee's performance rating was below “Acceptable” (or equivalent) in determining HPR or MPR Rate. **(T-0)** The following pay setting provisions apply to reemployment following a break in service:

3.2.1. Voluntary Separations. A voluntary separation occurs when an employee chooses to leave Federal civilian service on his or her own, and not at the initiation of the agency. Typical voluntary separations include resignation and retirement (includes DoD family members who resign after expiration of leave without pay). Unless applying superior qualification provisions, the following pay setting rules apply to reemployment following voluntary separations:

3.2.1.1. Permanent appointment. Provided the employee is eligible under Title 5, CFR, Part 531.221, *Maximum payable rate rule*, current edition, the HR Specialist will set pay using HPR or GS MPR, whichever is more beneficial to the employee, regardless of the length of the break in service. **(T-0)** The HR Specialist will consider GS locality rates in

applying the FWS HPR when the individual was earning the previous rate in the GS pay system. **(T-0)** Special Salary Rate cannot be used for HPR or MPR unless prescribed under 5 CFR, Section 531.222c, *Rates of basic pay that may be used as the highest previous rate*, current edition. Rates of pay for periods of time when the employee's performance rating was below "Acceptable" (or equivalent) may not be used in determining HPR or MPR. **(T-0)**

3.2.1.2. Term appointment. Pay upon reemployment to a term appointment will be set at step one if there was a break in service of more than two years. **(T-0)** If the break is two years or less, use the HPR or GS MPR to set pay, whichever is the most beneficial to the employee, if the individual earned HPR or GS MPR in the last two years.

3.2.1.3. Temporary appointments. Pay upon reemployment to a temporary appointment will be set at step one if there was a break in service of more than two years. **(T-1)** If the break is two years or less, use the HPR or GS MPR to set pay, whichever is the most beneficial to the employee, if the individual earned HPR or GS MPR in the last two years. **(T-1) Note:** Termination at the expiration of a temporary or term appointment **IS NOT** considered an involuntary separation.

3.2.2. Involuntary Separations. Employee separation through no fault of their own and not at their request, is an involuntary separation.

3.2.2.1. Priority Placement Program (PPP), (excluding Program S, military spouse), and Interagency Career Transition Program (ICTAP). Pay for an employee who is reemployed through the PPP or ICTAP, after a break in service of more than three calendar days, is set at a step rate at least equal to the current rate for the grade and step the employee held at the time of separation, unless the rate is greater than the maximum rate of the grade. If the pay is greater than the top step, the HR Specialist will set pay at the top step of the grade. **(T-0)** The HR Specialist will compare this rate to that earned by applying the HPR or GS MPR rules, setting the employee's pay at the rate providing the greatest benefit. **(T-0) Note:** In the same manner, the HR Specialist will preserve the current rate for FWS employees appointed to lower or higher paying wage areas under the PPP. **(T-0)** Grade and pay retention are not authorized upon reemployment from PPP or ICTAP. **(T-0)**

3.2.2.2. Reemployment Priority List (RPL). Pay for an employee who is reemployed from the RPL, after a break in service of more than three calendar days, is set at a step rate at least equal to the current rate the employee held at the time of separation, unless the employee's step rate is greater than the maximum step rate of the grade of the position of reemployment. **(T-0)** If the determined step rate of pay exceeds the top step rate for the grade of reemployment, then pay is set at that top step rate of the grade to which reemployed. Compare the authorized step rate to the determined rate by applying the HPR or GS MPR rules. Set the employee's pay at the step rate that provides the greatest benefit to the employee. Grade and pay retention are not authorized upon reemployment from the RPL.

3.2.2.3. Mandatory Restoration. The pay of an employee who is reemployed as a result of mandatory restoration rights is set at a rate at least equal to the rate the employee would be receiving if he or she had never left Federal civil service (to include within-grade increases (WGs)) **(T-0)**

3.2.2.4. Workers Compensation. Make every effort to restore an employee or former employee who has partially recovered from a compensable injury and is able to return to limited duty. **(T-1)** When possible, the return placement is to a position at the current or last grade held before separation from the agency rolls. If a same grade placement is not possible, follow Office of Workers Compensation Program procedures to reemploy the employee at the last grade held and immediately change them to the lower-graded position identified for his or her return to the workforce. **(T-0)** Pay is set at the rate the employee would have received had they been continuously employed, to include any WGIs. Pay retention is authorized, if necessary. **(T-1)**

3.2.2.5. Schedule C. Set the pay of a prior Schedule C employee so it does not exceed the employee's HPR or the top step of the grade, whichever is lower due to Schedule C appointment termination or due to voluntarily resignation in anticipation of termination because of a change in agency leadership. **(T-1)**

3.2.2.6. Air Reserve Technician (ART). Consider loss of active membership in the Reserve an involuntary separation from Federal employment.

3.3. Conversions or Transfers.

3.3.1. Conversion or Transfer at the Same Grade. The AF minimum requirement for continuous service:

3.3.1.1. The HR Specialist will set the pay of an employee who converts or transfers to another position at the same grade, at the step that is at least equal to their current step. **(T-1)** This applies to permanent, term and temporary actions.

3.3.1.2. In a conversion or transfer of a GS employee, unless entitled to a Special Salary Rate, total compensation is set to include base pay plus applicable locality pay of the gaining installation. **(T-1)**

3.3.1.3. In a conversion or transfer action of a FWS employee, pay is set based on the step of the grade held immediately before the effective date of the action, regardless of the hourly rate earned in another geographic area. **(T-1)**

3.3.1.4. If either GS or FWS employee meet the eligibility requirements for a WGI (to include GS employees converting from a temporary to permanent appointment), pay is set to include the WGI and due the same date as the conversion or transfer action. **(T-0)**

3.3.1.5. When a non-GS or non-FWS employee moves to a GS position, pay is set at a rate at least equal to the employee's existing rate of pay. If the existing rate of pay falls between two steps, pay is set at the higher step. If the employee's existing rate of pay exceeds the maximum step, pay is set at Step 10. Pay retention is not authorized in this situation (unless the employee is otherwise eligible). **(T-0)**

3.3.2. Conversion or Transfer to a Higher Grade. Pay for conversions or transfers to positions at a higher grade is set by one of the following, whichever is the most beneficial to the employee: Government-wide GS mandatory promotion rule, FWS promotion rule, AF re-promotion requirement, HPR or GS MPR rule. **(T-0)**

3.3.3. Conversion or Transfer to a Lower Grade position with no promotion potential. Unless entitled to grade or pay retention, pay for conversions or transfers to positions at a lower grade is set at rate at least equal to the rate of the grade and step from which demoted. If the existing

rate of pay falls between two steps, pay is set at the higher step. If the employee's existing rate of pay exceeds the maximum step, pay is set at Step 10. **(T-1)**

3.4. Reassignments.

3.4.1. No Change in Pay. Under normal circumstances, pay setting for a reassignment action results in no change in pay. Pay is set at the existing rate held immediately before the effective date of the action. **(T-1)**

3.4.2. Exceptions to No Change in Pay.

3.4.2.1. Changes from regular to special pay schedules. Pay will increase when reassigning an employee from a regular to a special pay schedule. **(T-0)** An employee's pay is set at the same step in the special pay schedule as received in the regular pay schedule. **(T-0)**

3.4.2.2. Changes from special pay to regular pay schedules. Pay usually decreases with reassignment from a special pay to a regular pay schedule. This occurs because the employee's pay is normally set at the same step in the regular pay schedule as received in the special pay schedule. There are some rare exceptions. The most common is the case of an employee who is involuntarily reassigned (for example, reduction-in-force (RIF)), transfer of function, etc.) from a special pay schedule to a regular pay schedule and is therefore entitled to pay retention, provided the employee's existing rate of pay cannot be accommodated within the rate range. When the existing rate of pay falls between two steps, give the employee the higher step. **(T-0)**

3.4.2.3. Changes between a non-GS or non-FWS position to a GS position. Pay is set at the rate on the GS pay schedule that is equal to or exceeds the employee's current rate of pay. If the rate falls between two steps, pay is set at the higher step, provided employee is otherwise eligible under 5 CFR, Part 531. **(T-0)** Pay may be set using HPR or MPR, whichever is more beneficial to the employee.

3.4.2.4. Changes between wage areas. Upon voluntarily reassignment of a FWS employee between wage areas, pay is set using the wage schedule for the area where the employee is moving. **(T-0)** Do not provide pay retention to a FWS employee who voluntarily requests and accepts a position in a lower wage schedule area. **(T-0)**

3.4.2.5. Changes between locality areas. Upon reassignment of a GS employee (voluntarily or involuntarily) between locality areas, pay is set at the same step in the new locality area as the former position. In some cases, the total salary may decrease due to reassignment to lower locality areas. **(T-0)**

3.5. Promotions.

3.5.1. A promotion normally results in an increase in pay; however, changes to different wage or locality areas, or between special and regular salary rates may result in an increase or decrease in pay. Use whichever pay for promotion rule is the most beneficial to the employee: Government-wide GS mandatory promotion rule **(T-0)**, FWS promotion rule **(T-0)**, AF re-promotion requirement, or HPR or MPR rule. **(T-1)** If pay falls between two steps, the higher step is used. **(T-0)**

3.5.2. Government-wide Mandatory Promotion Rule.

3.5.2.1. General Schedule. The pay of a GS employee promoted to another GS grade is set in the step that exceeds the existing rate of pay by at least two-step increases (unless that rate exceeds the top step of the grade). If the rate exceeds the top step of the new grade, pay is set at the top step. **(T-0)**

3.5.2.2. Federal Wage System. **(T-0)**

3.5.2.2.1. Same Wage Area. The pay of a FWS employee promoted to a FWS position in the same wage area is set in the step that exceeds the existing pay by four percent of the representative rate of the grade from which the employee's prior grade. If the rate exceeds the top step, pay is set at the top step.

3.5.2.2.2. Different Wage Area. Upon promotion to a position in a different wage area, compute the employee's pay as if there were two pay actions, a promotion and a reassignment, or a reassignment and then promotion and process in the order that gives the employee the maximum benefit.

3.5.3. Promotions between Pay Systems. When an employee moves from the FWS pay system to the GS pay system (or vice versa), pay is set using the appropriate pay setting directives for the pay system to which the employee is moving. Determine current annual salary of a FWS employee by multiplying the hourly rate by 2087 (work hours in a year). In every case, use the GS salary schedule that includes locality pay.

3.5.4. FWS to GS. **“One Cent Rule.”** The GS mandatory promotion rule (for example, “two step rule”) does not apply to FWS employees promoted to GS positions. To constitute a promotion, the FWS employee's existing rate of pay must increase by at least one cent upon placement in the GS position. **(T-0)** To set pay, compare the FWS annual rate of pay with the rate range for the new GS position (to include locality pay). The GS step that exceeds the FWS annual rate by at least one cent is the rate at which pay is set.

3.5.5. GS to FWS. Identify the action by using representative rates (Step 4 of the employee's existing GS grade and Step 2 of the FWS schedule to which the employee is moving). Set pay by selecting the lowest FWS step that exceeds the employee's existing rate of pay by four percent of the GS representative rate of the grade from which promoted.

3.5.6. Regular and Special Pay Schedules.

3.5.6.1. Regular GS Pay Schedule to Special Pay Schedule. On the regular GS pay schedule, determine the step of the new grade using the GS two-step promotion rule. The employee's pay is set at the corresponding higher grade and step on the special rate schedule. **(T-0)**

3.5.6.2. Special Pay Schedule to GS Pay Schedule. Based on the employee's current special pay schedule, determine the step of the new grade using the GS two-step promotion rule. If the two-step increase rate from the special rate schedule falls between two steps on the GS pay schedule, pay is set at the higher step. The rate on the regular GS pay schedule becomes the employee's pay. If the rate is less than Step 1 of the new grade, pay is set at Step 1. If pay exceeds the top step, pay is set at Step 10. **(T-0)**

3.6. Change to Lower Grade (CLG) and Re-promotion Requirements.

3.6.1. Competitive CLG from a vacancy announcement, to a position with promotion potential. If an employee accepts a CLG to a position with known promotion potential, pay

is set at a rate in the lower grade so that upon re-promotion the employee will not gain additional steps (the windfall). **(T-0)** Take the windfall into consideration when setting the employee's pay at a rate in the lower grade. Basic pay will be set at a step in the lower grade that upon re-promotion, will place the employee at the rate in the higher grade that would have been attained through a direct promotion. **(T-0)** It must be set low enough in the lower grade so that upon re-promotion the employee's pay will not be higher than the pay the employee would have received had they remained at the higher grade, taking into account the GS two-step promotion rule. **(T-0)**

3.6.2. Voluntary CLG to a position with no promotion potential. An employee may request a voluntary CLG for their convenience or benefit. Unless entitled to grade or pay retention, pay will be set at the step of the lower grade equal to or greater than the employee's existing rate of pay. **(T-0)** If the pay falls between two steps, use the higher step. If the employee's existing rate of pay exceeds the maximum step, pay is set at Step 10. **(T-0)**

3.6.3. Formal training programs.

3.6.3.1. Developmental Opportunity Program. Employees who accept lower grades to enter a formal training program must have an approved training plan. **(T-0)** Advertise the position as a training or Developmental Opportunity Program position. **(T-0)** When the employee's existing rate of pay falls between two steps of the lower grade, give the employee the higher step. If the selected employee is otherwise eligible and the salary is not within the rate range of the lower grade, pay retention is available. **(T-0)**

3.6.3.2. PALACE Acquire and COPPER CAP Training programs. Candidates hired on the Central Salary Account (CSA) for PALACE Acquire or COPPER CAP training positions will not be hired onto the CSA if their initial starting pay would exceed the typical outplacement grade or pay of their target position that is Step 1 of the targeted position. Exceptions to this policy will require functional career field team (CFT) coordination and career field manager approval (for example: insufficient pool of applicants, critical mission need, the candidate has a skill or experience the career field is in need of to meet their mission needs). **(T-2)**

3.6.4. Health issues. When an employee accepts a lower-graded position or can be reasonably accommodated for non-disciplinary reasons related to ill health, physical or mental inability to perform the duties of his or her current position and the employee's existing rate of pay falls between two steps of the lower grade, the employee is given the higher step. If the selected employee is otherwise eligible and the salary is not within the range, pay retention is available. **(T-0)**

3.6.5. "Hard-to-fill" positions. When an employee accepts a lower-graded position designated as "hard-to-fill" under criteria similar to those used for extending special rates under 5 CFR, Section 530.303(a) & (b), *Coverage*, current edition and the employee's existing rate of pay falls between two steps of the lower grade, provide the employee the higher step. **(T-0)** If the selected employee is otherwise eligible and the salary is not within the range, pay retention is available. **(T-1)**

3.6.6. Centrally-Managed positions. Personnel actions involving AF employees and centrally managed positions are "management initiated" rather than "at the employee's request." This includes placement following graduation from long-term training or a corporate development

program. If the pay falls between two steps, use the higher step. **(T-1)** If the selected employee is otherwise eligible and the salary is not within the range, pay retention is available. **(T-0)**

3.6.7. Reduction-In-Force. Employees who voluntarily accept lower-grade positions to lessen the impact of a RIF action, will also be given grade and pay retention (see [Chapter 4](#)). **(T-1)**

3.6.8. Expiration or Termination of Temporary Promotion. Provided an employee is otherwise eligible under 5 CFR, Section 532.405, *Use of highest previous rate*, current edition, pay may be set using HPR or MPR, whichever is more beneficial to the employee, when an employee is returned to his or her permanent grade after a temporary promotion lasting more than one year. **(T-1)** This is applicable regardless if the terms of the original temporary action specified different pay-setting rules or the employee signed an agreement or letter that specified minimum post-temporary assignment pay under 5 CFR, Section 531.215(c), *Establishments included in regular appropriated fund surveys*, current edition. **Note:** Do not use this change to HPR or MPR rules to set an employee's pay retroactively. **(T-0)**

3.6.9. Air Force Office of Special Investigation positions. Air Force Office of Special Investigation agents start at the entry-level grade of GS-07 and must enter a formal training plan. **(T-0)** If candidates accept lower grades to enter a formal training program, pay retention is available.

3.6.10. Involuntary CLG.

3.6.10.1. Employee at fault. If an employee's failure to perform acceptably or for disciplinary reasons causes the CLG, pay is set at a rate from Step 1 up to the step of the lower grade that, if re-promoted, will not place the employee in a rate exceeding that previously held in the higher grade. **(T-0)** Do not use the GS two-step rule for promotion or the FWS four-percent rule to set the pay. **(T-0)** Apply the geographic conversion rule, if applicable.

3.6.10.2.1. Employees are usually not at fault in most involuntary CLGs. RIF or a position reclassification is the typical cause of most involuntary CLGs. Pay is set using grade and pay retention regulations. In accordance with 5 CFR, Section 536.304(a)(3), *Determining an employee's pay retention entitlement*, current edition, apply the geographic conversion rule under 5 CFR, Section 536.303(a) before applying the rules in paragraph (b) of 5 CFR, Section 536.303. **(T-0)**

3.6.10.2.2. Pay for employees who are changed to lower grade, because of failure to successfully complete a supervisory or managerial probationary period is set under the government-wide minimum requirement. **(T-0)** Under this requirement, the employee is entitled to placement in a job with no lower grade or pay band and pay than the job left to accept the supervisory or managerial position. The employee is also entitled to any WGIs he or she would have received at that grade if the assignment to the supervisory or managerial job never occurred.

3.6.10.2.3. Acceptance of a lower grade by a Federal employee in order to accompany a military member or DoD Federal civilian employee sponsor on a permanent change of station is not a CLG at the employee's request. If the existing rate of pay for such Federal employee falls between two steps of the lower grade, the HR Specialist will set pay at the higher step. **(T-0)** The HR Specialist will set pay at even higher step in the

lower grade, in accordance with the HPR rule, if the employee earned an entitlement to a higher rate by service in another position. **(T-0)**

3.7. Dual Appointments for FWS Employees. When a FWS employee serves under a dual appointment (which includes either a temporary and a permanent appointment or two permanent seasonal appointments), set pay as follows:

3.7.1. If the temporary appointment is at a lower grade, set the waiting period for a WGI from the date of the last equivalent increase in the regular permanent position. Set the WGI waiting period for the temporary position from the date of the temporary CLG.

3.7.2. If the temporary appointment is at a higher grade, set the waiting time for a WGI by crediting the time the employee spends on the temporary appointment toward the WGI for the permanent position.

3.7.3. If an employee serves under two permanent appointments, credit the time the employee spends in the lower graded position toward the waiting period for a WGI in the higher graded position.

3.8. Overseas Return Rights. When an AF employee exercises return rights to their former position or to a like position from a higher grade, pay is set using the MPR rule as described under 5 CFR, Section 531.215, at a rate at least equal to the step or rate to which the employee would have progressed had the employee not gone overseas. **(T-1)** For employees who exercise return rights to a lower grade, pay retention is available when their step or rate of pay is not in the scale of the lower graded position. If the existing rate of pay falls between two steps of the lower grade, the HR Specialist will give the employee the higher step. **(T-1)**

3.9. Non-foreign Cost-of-Living Allowance (COLA).

3.9.1. When non-foreign COLA is involved, determine the nature of action and set pay as follows **(T-0)**:

3.9.1.1. GS to FWS. Do not add non-foreign COLA to GS pay for determination of the representative rate. **(T-0)** Identify the action by using representative rates.

3.9.1.2. FWS to GS. Do not add non-foreign COLA to GS pay. **(T-0)** Identify the type of action after pay is set using GS rules.

3.9.1.3. Set pay:

3.9.1.3.1. GS to FWS. Add non-foreign COLA to GS pay to establish rate of basic pay in FWS position.

3.9.1.3.2. FWS to GS. Do not add non-foreign COLA to establish rate of basic pay in GS position. **(T-0)**

3.10. Appointments between Non-appropriated Fund (NAF) and Appropriated Fund Employment Systems. The DoD Employee Benefit Portability Program applies to DoD permanent civilian employees who move between AF and NAF employment systems within DoD without a break in service of more than three calendar days. This program applies regardless of whether the move is involuntary or voluntary. However, many provisions are applied differently depending on whether the move is involuntary or voluntary.

3.10.1. Movement from a NAF to a GS Position: (T-0)

3.10.1.1. Involuntary Movement. Pay will be set at a rate within the grade to which moved that is not less than the employee's rate of basic pay under the NAF system immediately prior to the move. (T-0) In determining the last rate of basic pay, a saved pay rate the employee was entitled under the NAF system will apply, as well as pay received in a NAF special rate position. Exclude additions to pay such as night shift, environmental differential, and other premium payments from consideration as basic pay. (T-0) Basic pay may not be set above the maximum of the grade to which moved, except as provided by grade and pay retention provisions. (T-0)

3.10.1.1.1. Grade and pay retention benefits apply where the involuntary move results in a reduction in grade or pay.

3.10.1.1.2. A reduction in grade occurs when the representative rate of the new position is lower than the representative rate of the employee's previous position. For pay-banded employees, the employee's current existing rate of basic pay is the representative rate.

3.10.1.1.3. Prior to moving an employee from NAF Pay Band V to a GS position, the NAF activity determines if an adjustment in NAF pay is necessary. Make adjustments in NAF pay are effected to ensure that the maximum rate of pay retained in the move will not exceed the rate of pay for a GS-15, Step 10 for the new position and geographical area. (T-0)

3.10.1.2. Voluntary Movement. Pay will be set at the rate of the new grade that does not exceed the employee's HPR of NAF basic pay. (T-0) The HPR of pay is computed according to 5 CFR, Section 531.216, *Setting pay when an employee moves from a Department of Defense or Coast Guard non-appropriated fund instrumentality*, current edition. The employee's pay cannot be less than the minimum rate of the grade of the position.

3.10.2. Movement from NAF Crafts and Trades Position to an Appropriated Fund Wage Schedule Position.

3.10.2.1. Involuntary Movement. Pay will be set at the employee's existing scheduled rate of pay; or, a rate that does not exceed his or her HPR of NAF basic pay, whichever is the most beneficial to the employee. (T-0) However, if the HPR falls between two rates of the new grade, the higher rate will be paid. (T-0) The HPR is computed according to the OPM Operating Manual - *Federal Wage System, Non-appropriated Fund*, Subchapter S8-3e. The employee's pay cannot be less than the minimum rate of the grade of the position.

3.10.2.1.1. Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay. Grade and pay retention benefits will be administered according to OPM Operating Manual - *Federal Wage System, Non-appropriated Fund*, Subchapter S9. (T-0)

3.10.2.1.2. A reduction in grade occurs when the representative rate of the position to which the employee is converted is lower than the representative rate of the position from which the employee moved.

3.10.2.2. Voluntary Movement. Pay will be set at the rate of the new grade that does not exceed the employee's HPR of NAF basic pay. **(T-0)** The HPR of pay is computed according to the OPM Operating Manual - *Federal Wage System, Non-appropriated Fund*, Subchapter S8-3e. **(T-0)** The employee's pay cannot be less than the minimum rate of the grade of the position. **(T-0)**

3.10.3. Movement from another pay system or Pay Band NAF Position to an Appropriated Fund Wage Schedule Position.

3.10.3.1. Involuntary Movement. Pay is set according to [paragraph 3.6.10.2.1](#) of this Instruction.

3.10.3.1.1. Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay. Grade and pay retention benefits are administered according to OPM Operating Manual - *Federal Wage System, Non-appropriated Fund*, Subchapter S9.

3.10.3.1.2. A reduction in grade occurs when the representative rate of the new position is lower than the representative rate of the employee's previous position. For pay-banded employees, the employee's current existing rate of basic pay is the representative rate.

3.10.3.2. Voluntary Movement. Pay is set according to [paragraph 3.6.2](#) of this Instruction.

Chapter 4

GRADE AND PAY RETENTION

4.1. Authority. *DoDI 1400.25, Volume 536* prescribes the application of grade and pay retention to GS and FWS employees within DoD.

4.2. Grade retention.

4.2.1. Title 5, CFR, Part 536.202, *Coverage*, current edition, allows the head of an agency to offer grade retention under certain circumstances. Employees must meet general eligibility requirements and not have a specific entitlement by law or regulation. **(T-0)** Furthermore, the employee either must have or might suffer a reduction in grade because of a reorganization or reclassification decision announced by management in writing. **(T-0)**

4.2.1.1. An employee is eligible for grade retention based on a reclassification of his or her position only if, immediately before the reduction in grade, that position was classified at the existing grade or higher grade for a continuous period of at least one year. (See 5 CFR, Section 536.203, *Definitions*, current edition)

4.2.1.2. Within DoD, grade retention applies when:

4.2.1.2.1. An eligible employee moves to a lower-grade position through RIF procedures, or a situation determined in advance by the Deputy Assistant Secretary of Defense (Civilian Personnel Policy) to be comparable to a RIF. Serving for 52 consecutive weeks or more in a position or positions under a covered pay schedule at a grade or grades higher than the position in which the employee is placed makes grade retention applicable (see Title 5, CFRF, Part 536.201, *Mandatory grade retention*, current edition, for additional guidance). If the employee does not meet the other eligibility requirements for grade retention under this provision, but would otherwise receive grade retention, the HR Specialist will authorize pay retention providing the employee's existing rate of pay is not available within the rate range of the lower grade. **(T-1)** When the existing rate of pay falls between two steps of the lower grade, the HR Specialist will give the employee the higher step. **(T-1)**

4.2.1.2.2. An eligible PPP employee, without a break in service of three days or less, including those resulting from early registration, even though the employee does not have a specific RIF notice.

4.2.1.2.3. An employee in an organization undergoing realignment or reduction, who is not personally impacted by those actions, requests a CLG. An organization may grant an employee grade retention only if management determines that the employee's CLG will result in placement of the employee in a more suitable position and will lessen or avoid the impact of the RIF on other employees. **(T-1)**

4.2.1.3. Eligible employees are entitled to a two-year grade retention period unless terminated in accordance with the provisions of 5 CFR, Section 536.208, *Termination of grade retention*, current edition (for example, declining a reasonable offer).

4.2.1.4. Grade Retention may be authorized in other circumstances not covered by this instruction, as determined by AF/A1C. Document and forward requests for grade retention

not covered by this chapter through the respective MAJCOM or COCOM to the AFPC/DP3 to AF/A1C for processing to DoD.

4.2.2. Grade Retention for FWS Employees who move from a high to a low wage area. In most cases, FWS employees under grade retention will continue to receive the same rate of basic pay. **(T-0)** Under some circumstances, for example, movement from one wage area to another wage area, determine the employee's rate of pay by the schedule in the new wage area. In determining the employee's pay, the employee receives the greater of the basic pay held before moving; the rate from new schedule for same step held before moving; or the lowest rate from the new wage schedule that equals or exceeds pay before moving.

4.2.2.1. Frequently, the movement of a FWS employee from a high wage area to an area with a lower wage schedule will result in the employee's existing rate of pay exceeding Step 5 of his or her retained grade on the new geographic (lower) wage schedule. **(T-0)** In such cases, the employee continues to retain his or her basic pay before the movement.

4.2.2.2. FWS WGI under Grade Retention. During the two-year grade retention period, a FWS employee is entitled to WGIs in the retained grade unless the rate of basic pay, as determined under grade retention provisions, is above Step 5 on the pay schedule in the new wage area. Base the WGI on the pay schedule in the new wage area. For example, if an employee's retained grade and rate of basic pay equals Wage Grade 5, Step 2, and the employee becomes eligible for Step 3, and Step 3 is 30 cents more than Step 2 on the "new schedule," then this amount would be added to the employee's retained rate of pay.

4.2.2.3. FWS Annual Adjustments under Grade Retention. Base annual adjustments on the new schedule (for example, the schedule in the different geographic area). If the employee is in any step but Step 0, pay the employee the rate for their step on the new schedule. Employees receive 100 percent of the annual adjustment during the two-year grade retention period. Employees in Step 0 receive the difference between Step 5 on the previous schedule and Step 5 on the new adjusted schedule. Add the adjustments to the employee's existing retained rate of pay.

4.2.2.4. Decrease in Wage Schedule under Grade Retention. When a decrease occurs in a FWS, there is no legal authority to reduce an employee's pay. An employee currently entitled to retained pay will continue to receive the rate that was in effect prior to the decrease. **(T-0)**

4.3. Pay Retention.

4.3.1. Pay retention within DoD will be extended when the grade retention period ends, or under other circumstances when an employee's pay would otherwise be reduced. **(T-0)** Pay retention applies when:

4.3.1.1. "An employee would otherwise receive grade retention pursuant to DoDI 1400.25, Volume 536, but does not meet the time requirement specified in Title 5, CFR, Part 536.301, *Mandatory pay retention*, current edition.

4.3.1.2. An employee accepts a lower-grade position designated in advance as hard-to-fill under criteria similar to those used for extending special rates under 5 CFR, Section 530.304.

4.3.1.3. A reduction in grade upon return from an overseas assignment according to the terms of a pre-established agreement. This includes the release of employees from the period of service specified in their current transportation agreement due to a management-initiated action. It applies to employees completing more than one year under their current agreement and receive relief from the remainder of the specified period of service because of compelling personal reasons of a humanitarian or compassionate nature, such as may involve physical or mental health or circumstances over which the employee has no control. Also included are non-displaced overseas employees with no obligation to return and whom DoDI 1400.25, Volume 1230, covers.

4.3.1.4. An employee declines a Transfer of Function offer to a location outside the commuting area, or is identified with such function but does not receive an offer at the gaining activity, and is placed in a lower-graded position at the losing activity or any other DoD activity.

4.3.1.5. An employee accepts a lower-graded position for non-disciplinary reasons to accommodate a disabling condition under criteria similar to those used in meeting the responsibilities for selective placement instead of disability retirement.

4.3.1.6. An employee occupying a position under a Schedule C appointment is placed, other than for cause or at the employee's request, in a position at a lower grade in the competitive service or in another Schedule C position, provided that such action is not solely the result of a change in agency leadership (change in administration).

4.3.1.7. An Army or Air Force Reserve Technician has or will lose eligibility through no fault of his or her own (non-dual status employees), and accepts placement in a lower-graded non-reserve position. **(T-0)**

4.3.1.8. An employee occupying a National Guard technician position loses military status through no fault of his or her own and accepts placement without a break in service in a lower-graded competitive service position.

4.3.1.9. An employee whose job is abolished declines an offer within the competitive area, but outside the commuting area, and is placed in a lower-graded position in the commuting area, provided the employee is not serving under a mobility agreement.

4.3.1.10. An employee applies through a formal recruitment program and is selected for a position at an overseas location. In such cases, advise all potential applicants in writing that pay retention will be offered to selectees whose pay would otherwise be reduced if selected for the position. **(T-0)** Limit pay retention to AF employees selected to centrally managed positions at overseas locations. Considerer personnel actions involving AF employees and centrally managed positions "management initiated" rather than "at the employee's request." If the employee's existing rate of pay falls between two steps of the lower grade, give the employee the higher step. If the employee is otherwise eligible and the salary is not within the range, pay retention is available. Employees selected for positions that are two grades lower than their current grade must obtain career field manager approval. **(T-1)**

4.3.1.11. Involuntarily moving an employee eligible pursuant to Title 5, CFR, Part 536.302, *Optional pay retention*, current edition from a DoD NAF position to a DoD civil service position without a break in service of more than three days.

4.3.2. AF/A1C may extend pay retention to employees as a result of personnel actions initiated by management to further the AF's mission, to the extent that the general intent of grade and pay retention are met.

4.3.3. Do not extend pay retention when an employee is returning from an overseas assignment because of unacceptable performance (as defined in Title 5, CFR, Part 432, *Performance Based Reduction in Grade and Removal Actions*, current edition) or personal cause (as defined in Title 5, CFR, Part 752, *Adverse Actions*, current edition). **(T-0)**

4.3.4. Unless otherwise entitled to pay retention, do not authorize pay retention for employees selected for overseas positions, except as provided in [Paragraphs 3.6.6](#) and [4.3.2](#)

4.3.5. Pay Retention for FWS Employees. Do not give pay retention to a FWS employee who voluntarily requests and accepts a position in a lower wage schedule area. **(T-0)**

4.3.5.1. When there is entitlement to pay retention, that is, at the end of the two-year grade retention period, a FWS employee is entitled to:

4.3.5.1.1. Lowest scheduled rate of basic pay in the employee's grade which equals or exceeds their current rate of basic pay. **Note:** When the rate of pay falls between two scheduled rates, place the employee in the higher of the two rates.

4.3.5.1.2. When there is no rate that equals or exceeds the employee's current rate of pay, the employee will retain either his or her current rate of basic pay or 150 percent of the maximum rate of basic pay for the employee's grade after the action is taken, whichever is less. **(T-0)**

4.3.6. FWS Annual Adjustments under Pay Retention. A FWS employee is entitled to 50 percent of the amount of each annual adjustment in the maximum rate of basic pay payable to his or her grade. Make adjustments prior to a comparison with the maximum step of the grade to decide whether the employee stops receiving a retained rate.

4.3.6.1. Decrease in Wage Schedule. When there is a decrease in the wage schedule, an employee entitled to retained pay will continue to receive the rate that was in effect prior to the decrease. **(T-0)** There is no legal authority for a reduction in pay under these circumstances.

4.3.7. Apprentice and Shop Trainee. When employees are receiving training and instruction designed to qualify them to perform all required duties in trade and craft occupations specified in AF approved training programs, they are under a special pay plan for such programs. The special pay plan is only available for apprentices or shop trainees. To establish a special pay plan for apprentice and shop trainees and to set pay rates see the OPM Operating Manual - *Federal Wage System*, Subchapter 11.

4.4. Termination of Pay Retention.

4.4.1. Conditions resulting in the termination of pay retention are described in 5 CFR, Section 536.308, *Loss of eligibility for or termination of pay retention*, current edition. Loss of eligibility for pay retention occurs if any of these conditions take place and the employee has received written notification of a pay reduction.

4.4.1.1. Notify an employee in writing if they are selected for a position. If employee declines the offer, it would result in the loss of pay retention as described in 5 CFR, Section 536.104, *Reasonable offer*, current edition. **(T-0)**

4.4.2. If a selected employee is on pay retention and receives an offer that meets the “reasonable offer” criteria, the AFPC or Operating Location HR Specialist will contact the CPS and obtain the employee’s phone number and the name and phone number of the employee’s current supervisor. **(T-3)** If the selected employee is on pay retention and does not respond to the offer, notify the CPS and the current supervisor in order to determine the employee’s status.

Chapter 5

SUPERIOR QUALIFICATIONS AND SPECIAL NEEDS APPOINTMENTS

5.1. Authority. DoDI 1400.25, Volume 531 implements DoD policy on superior qualifications appointments (SQAs) to set advanced-in-hire rates at all grade levels. Air Force has established commanders (or civilian leader equivalent) as the appointing official, and civilian personnel officers as delegates who administer appointing authority on behalf of installation commanders.

Do not delegate appointing authority further. **(T-0)** The authority, also known as advanced-in-hire rates, provides authorization to set the rate of basic pay of a newly appointed employee at a rate above the minimum rate of the appropriate GS grade. This incentive is also available for FWS employees with superior qualifications. The Office of Personnel Management - *Federal Wage System, Appropriated Fund Operating Manual* implements the policy for FWS employees. This Chapter excludes Centrally Managed PALACE Acquires and COPPER CAPs. Advanced in-hire rates are available for the following:

5.1.1. The superior qualifications of the candidate. A candidate has superior qualifications based on the level, type, or quality of the candidate's skills or competencies demonstrated or obtained through experience or education; the quality of the candidate's accomplishments compared to others in the field; or other factors that support a superior qualifications determination.

5.1.2. The candidate's skills, competencies, experience, education, or accomplishments must be relevant to the requirements of the position to be filled. **(T-0)** These qualities must be significantly higher than that needed to be minimally required for the position or be of a more specialized quality compared to other candidates. **(T-0) Or**

5.1.2.1. A special need for the candidate's services. A candidate fills a special need if the type, level, or quality of skills and competencies or other qualifications and experiences possessed by the candidate are relevant to the requirements of the position and are essential to accomplishing an important mission, goal, or program activity.

5.1.2.2. A candidate may also meet the special needs criteria by meeting workforce needs according to the AF Guide to Civilian Workforce Planning.

5.2. Authority to Set Pay. The installation commander, designee (designated by installation commander) or others with appointing authority, have authority to set an advanced-in-hire rate of pay based on superior qualifications or special needs for all locally funded and hired employees.

5.2.1. Each determination to use this authority must be approved before the employee enters on duty. **(T-0)** Do not make determinations retroactively. **(T-0)** Installations may use the superior qualifications and special needs pay-setting authority to set the rate of basic pay for a newly appointed employee to any GS or FWS position, including permanent or temporary positions in the competitive or excepted service, at any grade level.

5.2.2. This authority can set the rate of basic pay for an employee upon:

5.2.2.1. First appointment as a civilian employee of the Federal Government.

5.2.2.2. Reappointment to a GS or FWS position with a 90-day break in service (see 5 CFR, Section 531.212(a)(3) for exceptions to the 90-day break in service requirement).

5.3. Documentation Required.

5.3.1. Before using the superior qualifications and special needs pay-setting authority, the following documentation and recordkeeping procedures must be followed. **(T-0)** Requesting officials must fully document the appointment **(T-0)** (refer to myPers Knowledge Article for Superior Qualifications and Special Needs Appointments Justification Package Job Aid, https://mypers.af.mil/app/answers/detail/a_id/13567/kw/superior%20qualifications/p/3) . Consider and address all of the factors required to determine eligibility and the step at which to set an employee's pay using an advanced-in-hire rate. Documentation must also include a description of the following: **(T-0)**

5.3.1.1. Superior qualifications of the individual or special need for the candidate's services that justifies a higher minimum rate.

5.3.1.2. Factors and supporting documentation under 5 CFR, Section 531.212(c) that were used to justify the rate at which the employee's pay is set.

5.3.1.3. Reason(s) for authorizing an advanced rate instead of or in addition to a recruitment incentive. **(Note:** Do not use recruitment incentives with superior qualification and special needs appointments unless comparable non-Federal salaries justify both payments.) **(T-1)**

5.3.2. Installations are permitted to set an employee's rate of basic pay based on a single factor after a superior qualifications or special need determination has been made. However, if more than one factor supports the pay-setting decision, the installation should document all factors that apply. **(T-1)** A determination based on more than one factor may provide a stronger justification than a determination based on one factor, such as salary. Installations also may want to ensure that pay-setting determinations are consistent for similarly qualified candidates in similar positions.

5.3.2.1. Military salary may be used for setting pay above Step 1 based on unique or superior qualifications and existing pay for salary comparisons. However, only military base salary for separating or retiring military members may be used. The military salary will not include any of the other military entitlements such as Basic Housing Allowance, etc. **(T-0)**

5.3.3. AFPC and CPS Oversight.

5.3.3.1. The AFPC/DP3FM will provide operational guidance and annual webcasts to the CPSs who administer the program. **(T-3)**

5.3.3.2. On an annual basis, the AFPC will require the CPS to conduct a review of incentives granted and submit reports documenting program effectiveness. **(T-3)** The review can coincide with completing AF Inspector General or the OPM Human Capital Framework requirements. Checklists for evaluation of incentives are available on myPers link in Appendix B of the AF Civilian Human Capital Self-Assessment Guide. The report template is due to the AFPC, Civilian Force Management Branch (DP3FM), no later than 30 April of each year.

5.3.3.3. The CPS will ensure local approving and hiring officials receive proper guidance and training. **(T-3)** This will include the requirement for local approving and hiring officials to offer a candidate Step 1 salary for the grade of the position being offered. **(T-3)**

The local approving and hiring officials will evaluate and consider other candidates before offering a SQA, and only offer a SQA if the candidate declines the Step 1 salary. **(T-3)**

5.3.3.3.1. Pending CPO/AFPC review, hiring officials are permitted to make intent to hire offers and negotiate salary when using Expedited Hiring Authority or Direct Hiring Authority to fill both locally and centrally managed positions (excludes centrally managed PALACE Acquire and COPPER CAPs). Direct Hiring Authority is included since it is used when the AF has a severe shortage of candidates or critical hiring needs. In addition, Cyber Excepted Service authorities are included. However, Cyber Excepted Service positions are also exempt from the normal SQA process since setting appointment salaries up to and including step 5 requires no justification. DoD-CIO establishes the guidelines for steps 6 through 10. Pay Banding positions such as Acquisition Demonstration Project are exempt from this process since they are under a pay banding system, making steps not applicable.

5.3.3.3.2. If a hiring official negotiates salary, the SQA Justification Package or any other approved form should be included with the Request for Personnel Action with the rationale that the selectee was offered and declined the Step 1 salary. **(T-1)** Upon receipt of the approved SQA Justification Package, the HR Specialist will offer the candidate the higher approved step. **(T-1)** **Note:** The sample SQA Justification Package is located on myPers at https://mypers.af.mil/app/answers/detail/a_id/13567

5.3.3.4. The CPS will evaluate trends, verify packages are fully documented and include supporting documentation to substantiate claims made in justification statements, validate that packages are properly approved by the designated approval authority, and document that selecting officials have considered Federal benefits when determining salaries offered. **(T-1)**

5.3.3.5. The CPS or approving official, depending on local policy, must maintain a record of the approved package for reconstruction purposes for a period of three years. **(T-1)**

5.3.3.6. The AFPC will ensure the written approval of the advanced-in-hire rate is filed permanently in the employee's eOPF. **(T-0)**

5.4. Pay Rate Determination. One may use one or more of the following factors to determine the step in setting an employee's payable rate of basic pay when using the superior qualifications and special needs pay-setting authority:

5.4.1. The level, type, or quality of the candidate's skills or competencies.

5.4.2. The candidate's existing salary, recent salary history, or salary documented in a competing job offer (taking into account the location where the salary was or would be earned and comparing the salary to payable rates of basic pay in the same location).

5.4.3. Significant disparities between Federal and non-Federal salaries for the skills and competencies required for the position.

5.4.4. Existing labor market conditions and employment trends, including the availability and quality of candidates for the same or similar positions.

5.4.5. The success of recent efforts to recruit candidates for the same or similar positions.

5.4.6. Recent turnover in the same or similar positions.

5.4.7. The importance or criticality of the position and the effect on the mission of not filling or in delaying filling the position.

5.4.8. The desirability of the geographic location, duties, or work environment of the position.

5.4.9. Installation workforce needs according to the AF Guide to Civilian Workforce Planning (see myPers at https://mypers.af.mil/app/answers/detail/a_id/28736/p/3/c/2609).

5.4.10. Other relevant factors (for example, salaries the installation has paid to similarly qualified candidates filling similar positions). **Note:** The OPM regulations do not require a candidate to have an existing salary or competing salary offer to justify the step at which to set an employee's rate of basic pay. Existing salary, recent salary history, or a competing salary offer is only a few of factors to consider in determining an employee's step rate. For example, an installation may consider:

5.4.10.1. Factors other than existing salary or competing salary offers when determining the step rate of recent college graduates who have not been recently employed.

5.4.10.2. Candidates who have had a break in their career to serve as full-time caregivers to children or other family members.

5.4.10.3. Candidates whose existing salary or recent salary history is reflective of the labor market for the position to be filled, after the installation has determined these candidates have superior qualifications or the installation has a special need for their services.

Chapter 6

RECRUITMENT, RELOCATION AND RETENTION (3RS) INCENTIVES; SUPERVISORY DIFFERENTIALS

6.1. Program Authority. The AF may authorize incentives and differentials to alleviate recruiting and retention problems because of differences in Federal and non-Federal pay for comparable positions or to correct pay inequities between supervisors and their subordinates. Organizations will ensure all 3Rs spending during the calendar year does not exceed established calendar year levels. **(T-1)** Base the incentive or differential on the employee's retained rate when the employee is eligible for grade or pay retention. **(T-0)** The AF may not use these special payments as a substitute for the classification process or to grant special payments automatically to all new hires or transfer eligibles. **(T-1)**

6.2. Delegation of Authority. The authority to approve the 3Rs was delegated to the Secretaries of the Military Departments. There has been further delegation from the Assistant Secretary of the Air Force (Manpower and Reserve Affairs) to installation commanders and others with appointing authority in consultation with servicing civilian personnel officials. The Commander, AFPC has approval authority over CSA-funded positions. Air Force has established commanders (or civilian leader equivalent) as the appointing official, and civilian personnel officers as delegates who administer appointing authority on behalf of installation commanders. There will be no further delegation. **(T-0)**

6.3. Recruitment and Relocation Incentives. Before an employee enters on duty or reports to a position in a new geographic location, the organization must determine that, in the absence of a recruitment or relocation incentive (as applicable), the organization will encounter difficulty in filling the position. **(T-0)** For CSA, recruitment or hiring and centrally funded incentives for centrally managed positions, CFTs must obtain approval from the CSA Program Office prior to beginning recruitment. **(T-1)** The organization may determine that a position is likely to be difficult to fill if they previously encountered difficulty-recruiting candidates with the competencies required for the position in the absence of a recruitment or relocation incentive. This may be because OPM has approved the use of direct-hire authority applicable to the position or on a consideration of the following factors:

6.3.1. The availability and quality of candidates possessing the competencies required for the position, including the success of recent efforts to recruit high quality candidates for similar positions. Use indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required filling similar positions.

6.3.1.1. When necessary to make a timely offer of employment, the CPS or CFT may establish criteria in advance. Use the identification of qualifications typically possessed by high quality candidates for a specific position or other similar positions. Authorize the recommending official to offer a recruitment incentive (in an amount within a pre-established range) to any high quality candidate.

6.3.1.2. In determining which employees may receive a recruitment incentive, the CPS or CFT may target groups of positions that have been difficult to fill in the past or that may be difficult to fill in the future. The CPS or CFT may make the required written

determination to offer a recruitment incentive on a group basis. Evaluate the use of incentives on a case-by-case basis.

6.3.2. The salaries typically paid outside the Federal Government for similar positions.

6.3.3. Recent turnover in similar positions.

6.3.4. Employment trends and labor-market factors that may affect the ability of the CPS or CFT to recruit high quality internal or external candidates from similar positions now or in the future (may include such factors as salary ranges of comparable positions, scarcity of skills, emerging technology, etc.).

6.3.5. Special or unique competencies required for the position.

6.3.6. Agency efforts to use non-pay authorities, such as special training and work scheduling flexibilities, to resolve difficulties, alone or in combination with a recruitment or relocation incentive.

6.3.7. The duties required of the position, work or organizational environment, or geographic location of the position.

6.3.8. Other supporting factors such as funding availability, positive and negative impacts on the morale of current employees, the duty station in such terms as remoteness, cost of living, community amenities, etc.

6.4. Documentation Required.

6.4.1. Each determination for payment of a recruitment or relocation incentive must include the following in writing (Refer to myPers for Incentive Checklist): **(T-1)**

6.4.1.1. The basis for determining that a position is likely to be difficult to fill.

6.4.1.2. The basis for authorizing an incentive.

6.4.1.3. The basis for the amount and timing of the approved incentive payment and the length of the required service period.

6.4.1.4. Relocation incentives can only be paid to an employee whose new position is not in the same geographic area as the worksite of the position held immediately before the move.

6.4.1.4.1. A position is considered to be in a different geographic area if the worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move.

If the worksite of the new position is less than 50 miles from the worksite of the position held immediately before the move, and the permanent change of station authorizing official determines it is in the Government's interest that the employee must relocate (for example: establish a new residence) to accept the position, a waiver may be granted by the CPS or CFT in accordance with 5 CFR, Section 575.205(b), *Applicability to employees*, current edition. In all cases, the employee must establish a residence in the new geographic area before the CPS or CFT may pay a relocation incentive to the employee. **(T-0)**

6.4.2. A relocation incentive may be paid only when the employee's rating of record (or an official performance appraisal or evaluation under a system not covered by 5 USC, Chapter 43

or 5 CFR, Part 430, *Performance Management*, current edition) for the position held immediately before the move is at least “fully successful” or equivalent. **(T-0)**

6.4.3. The vacancy announcement must indicate that a recruitment or relocation incentive may be authorized. **(T-0)**

6.4.4. The authorized official must review and approve the recruitment or relocation incentive determination prior to paying the incentive to the employee. **(T-1)** Approving officials must approve the incentive in writing before prospective employee’s Entrance on Duty (EOD). **(T-0)** Verbal or written agreement between the selecting official, applicant or HR Specialist offering a recruitment or relocation incentive, is not binding without a written approval by the approving official prior to the employee’s EOD. **(T-0) Note:** It is not standard procedure for the CSA to offer retention incentives.

6.5. Retention Incentives.

6.5.1. An organization must consider the following factors in making a retention incentive determination for an individual employee or a group or category of employees likely to leave the Federal service: **(T-0)**

6.5.1.1. Employment trends and labor market factors, such as the availability and quality of candidates in the labor market possessing the competencies required for the position and who, with minimal training, cost, or disruption of service to the public, could perform the full range of duties and responsibilities of the position at the level performed by the employee.

6.5.1.2. The success of recent efforts to recruit candidates and retain employees with qualifications similar to those possessed by the employee for positions similar to the position held by the employee.

6.5.1.3. Special or unique competencies needed for the position.

6.5.1.4. Agency’s efforts to use non-pay authorities to help retain the employee instead of or in addition to a retention incentive, such as special training and work scheduling flexibilities or improved working conditions.

6.5.1.5. The desirability of the duties, work or organizational environment, or geographic location of the position.

6.5.1.6. The extent to which the employee’s departure would affect the agency’s ability to carry out an activity, perform a function, or complete a project the agency deems essential to its mission.

6.5.1.7. The salaries typically paid outside the Federal Government.

6.5.1.8. Other supporting factors.

6.6. Documentation Requirements.

6.6.1. For each determination to pay a retention incentive for an employee likely to leave the Federal service, an agency must document the following in writing **(T-0)** (Refer to myPers for Incentive Checklist, https://mypers.af.mil/app/answers/detail/a_id/19271/kw/recruitment%2Frelocation/p/3):

6.6.1.1. The basis for determining that the unusually high or unique qualifications of the employee (or group of employees) or a special need of the agency for the employee's (or group of employees) services makes it essential to retain the employee(s).

6.6.1.2. The basis for determining that the employee (or a significant number of employees in a group) would be likely to leave the Federal service in the absence of a retention incentive. Examples of evidence the employee is likely to leave the Federal service can be a job offer letter, job interview with private organization, retirement eligible with submission of appropriate paperwork, or recent acquisition of private business license with the intent of starting a full-time business.

6.6.1.3. The basis for establishing the amount and timing of the approved retention incentive payment and the length of the required service period.

6.7. Record Keeping.

6.7.1. Authorized management officials are responsible for maintaining records documenting the determination to pay incentives. **(T-0)** The CPS or approving official, depending on local policy, must maintain a record of the approved package for reconstruction purposes for a period of three years. **(T-0)** Maintain the following documents (at a minimum) with an incentive payment:

6.7.1.1. Documents used for the justification, to include any applicable checklists and labor market analysis.

6.7.1.2. Documents used for the approval.

6.7.1.3. Signed service agreement

6.8. AFPC and CPS Oversight. On an annual basis, the AFPC will require the CPS or approval authority to conduct a review of incentives granted and submit reports documenting program effectiveness. **(T-1)** One can accomplish the review in conjunction with the Air Force Inspector General or the OPM Human Capital Framework requirements. The report template is due to AFPC Staffing Program Oversight Office, no later than 30 April of each year. Checklists for evaluation of incentives are available on myPers link in Appendix B of the AF Civilian Human Capital Self-Assessment Guide, <https://mypers.af.mil/ci/fattach/get/4906758/1443557180/redirect/1/filename/Air%20Force%20Civilian%20Human%20Capital%20Self-Assessment%20Guide.pdf>.

6.9. Payment of Recruitment and Relocation Incentives.

6.9.1. Approval to pay a recruitment and relocation incentive must occur prior to an employee's EOD. **(T-0)**

6.9.2. Do not make payment until the employee signs a service agreement to serve a minimum of 12 months within DoD and reports for duty. **(T-0)**

6.9.3. Recruitment and relocation incentives are not part of an employee's rate of basic pay for any purpose.

6.9.4. A CPS, CFT or approval authority may pay a recruitment or relocation incentive as follows.

6.9.4.1. As an initial lump-sum payment at the commencement of the service period required by the service agreement.

6.9.4.1.1. The total amount of a recruitment or relocation incentive paid to an employee in a service period may not exceed 25 percent of the annual rate of basic pay of the employee at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period (not to exceed four years). **(T-0)**

6.9.4.1.2. For hourly rate employees who do not have a scheduled annual rate of basic pay, compute the annual rate required under this paragraph by multiplying the applicable hourly rate in effect at the beginning of the service period by 2087 hours.

6.9.4.2. In equal or variable installment payments throughout the service period.

6.9.4.3. As a final lump-sum payment at the end of the specified service period.

6.9.5. MAJCOM, COCOMs, or the CFT may submit a written request through AF/A1C and DoD, requesting that OPM waive the limitation set out in Title 5, CFR, Part 575.209(c), *Payment of relocation incentives*, current edition. The written request must demonstrate that the competencies required for the position are critical to the successful accomplishment of an important agency or staff office mission, project, or initiative (for example: programs or projects related to a national emergency or implementing a new law or critical management initiative). **(T-0)** Under such a waiver, the total amount of the incentive paid to an employee in a service period may not exceed 50 percent of the annual rate of basic pay of the employee at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period. **(T-0)** In no case may a waiver provide total incentive payments exceeding 100 percent of the employee's annual rate of basic pay at the beginning of the service period. **(T-0)**

6.10. Service Agreements. (Refer to myPers for incentive sample agreements)

6.10.1. Before a recruitment or relocation bonus may be paid, an employee offered an incentive must sign a service agreement. **(T-0)** The service agreement must include commencement and termination dates of required service with the AF (current Component). **(T-0)** The minimum period of the service agreement is 12 months. Failure by the individual to complete the service agreement will obligate the employee to a pro rata repayment of the bonus. **(T-1)**

6.10.2. Normally, the required service period must begin upon the commencement of service with the AF. **(T-1)** The service period must terminate on the last day of a pay period. **(T-1)**

6.10.2.1. If service with the AF does not begin on the first day of a pay period, delay the service period commencement date so that the required service period begins on the first day of the first pay period beginning on or after the EOD date.

6.10.2.2. Delaying a service agreement commencement date is permissible until after the employee completes an initial period of formal training or required probationary period when continued employment in the position is contingent on successful completion of the formal training or probationary period.

6.10.2.2.1. Make a determination to pay a recruitment incentive before the employee enters on duty in the position. The service agreement must specify that if an employee

does not successfully complete the training or probationary period before the service period commences, there is no obligation for the AF to pay any portion of the recruitment incentive to the employee. (T-0)

6.10.2.3. The service agreement must specify the total amount of the incentive and that the payment will be a lump sum. (T-0)

6.10.2.4. The service agreement must include the agreement's termination conditions. (T-0) For example, if an employee is demoted or separated for cause, receives a rating of record of less than "Fully Successful" or equivalent, or otherwise fails to fulfill the terms of the service agreement. Title 5, CFR, Part 575.111, *Termination of a service agreement*, current edition covers the conditions under which the employee must repay a recruitment incentive. (T-1)

6.10.2.5. The service agreement must include the conditions under which the AF may terminate the service agreement before the employee completes the agreed-upon service period. (T-0) The service agreement must specify the effect of a termination under 5 CFR, Section 575.111, including the conditions under which the agency will pay an additional recruitment incentive payment for partially completed service. (T-0)

6.11. Service Agreement for a Relocation Incentives. (Refer to myPers for sample agreement)

6.11.1. Except as provided in [paragraph 6.9.2](#) of this instruction, the minimum period of service should be 12 months and may not exceed four years. (T-0) Failure by the individual to complete the service agreement will obligate the employee to a pro rata repayment of the relocation bonus. (T-0)

6.11.2. In the case of a temporary change in duty station for less than 12 months, a service agreement may provide for a shorter minimum period of employment.

6.12. Repayment of Recruitment or Relocation Incentives. In addition to the criteria listed in 5 CFR, Section 575.207, payments made for uncompleted periods are overpayments and are subject to the debt collection process. An approving official may waive, in whole or in part, an employee's debt if the official determines that recovery would be against equity and good conscience or against the public interest.

6.13. Supervisory Differentials. An official at a higher organizational level must review and approve an official's decision to grant a supervisory differential, including the amount of the differentials. (T-0)

6.13.1. Officials with delegated approval authority may designate subordinates to make initial differential decisions subject to the official's final review and approval. Designations must be in writing and be included in local operating instructions. (T-1)

6.13.2. Only the Secretary or Deputy Secretary of Defense may approve supervisory differentials for individuals appointed to Schedule C positions. Coordinate requests for approval of supervisory differentials for Schedule C positions through AFPC/DP3 and AF/A1C prior to submission to the DoD. (T-0)

6.13.3. Supervisory differentials:

6.13.3.1. May not be paid if the subordinate upon which the differential is based is a foreign national (direct or indirect hire) or NAF employee. (T-0)

6.13.3.2. Will be calculated and paid as described in 5 CFR, Section 575.405, *Calculation and payment of supervisory differential*, current edition. **(T-0)**

6.13.3.3. Will be adjusted and terminated as described in 5 CFR, Section 575.406, *Adjustment or termination of supervisory differential*, current edition. **(T-0)**

6.13.3.4. Will be terminated within 30 calendar days after the subordinate position or positions used as the basis for a supervisory differential becomes vacant. **(T-0)**

6.13.4. Documenting and Recording Supervisory Differentials.

6.13.4.1. Approving officials will document the granting of a supervisory differential. **(T-0)**

Documentation will include:

6.13.4.1.1. Sufficient information for reconstructing the action.

6.13.4.1.2. Basis for determining the amount of the differential.

6.13.4.1.3. The comparison of continuing pay required by 5 CFR, Section 575.405.

6.13.4.2. The CPS will maintain the supervisory differential documentation. **(T-3)**

Chapter 7

FOREIGN LANGUAGE PROFICIENCY PAY (FLPP)

7.1. Authority. Title 10 United States Code, Section 1596(a), authorizes FLPP for non-intelligence duties. AF employees who receive FLPP under Title 10 USC, Section 1596a may not concurrently receive FLPP under Title 10 United States Code, Section 1596 (intelligence duties). **(T-0)**

7.2. Rate. FLPP shall be prescribed by the Secretary of Defense, but may not exceed five percent of the employee's rate of basic pay in accordance with Title 10 USC, 1596a.(b). (See [Table 1.1](#) for authorized payments.) **(T-0)**

7.2.1. FLPP is available for proficiency in multiple languages; however, the total amount may not exceed five percent of the employee's rate of basic pay. **(T-0)**

7.2.2. FLPP does not count as basic pay for any purpose and does not count toward retirement (including Thrift Savings Plan), insurance, or any other benefit related to basic pay. FLPP is not pay for purposes of a lump-sum payment for leave under Title 5 United States Code, Sections 5551 and 5552. **(T-0)**

7.2.3. FLPP is considered a discretionary continuing payment for purposes of calculating the aggregate limitation on pay under Title 5 USC, Section 5307 and 5 CFR, Section 530.203, *Administration of aggregate limitation on pay*, current edition. **(T-0)**

7.3. Payment. Base the amount of FLPP on one or more of the following considerations:

7.3.1. Proficiency level in the required languages.

7.3.1.1. Language requirement listed in the Position Description (PD) or AD-HOC situations (refer to the Glossary Terms for more information on AD-HOC situations). Pay the control language listed on the PD at the "A" rate. Pay any other language not listed in the PD and approved under AD-HOC situations at the "B" rate. Base lump sum payment for AD-HOC situations, upon completion of the AD-HOC situation, on the length of the AD-HOC situation (see [Table 1.1](#) for authorized payments).

7.3.1.2. Operational need for the language skills.

7.3.1.3. Difficulty in recruiting or retraining employees with the same proficiencies.

7.3.1.4. The extent to which the employee performs tasks requiring proficiency.

7.3.1.5. Number of necessary languages in which the employee is proficient.

7.3.1.6. Other criteria the DoD determines significant.

7.4. Use listening, reading, and speaking proficiency levels to determine the amount of FLPP. AF Senior Language Authority (AF SLA) will determine exceptions to this policy based on contingency deployment position requirements and specific special operations position requirements. **(T-1)**

7.5. There is no authorization for FLPP for languages designated Prevalent in the Force on the current AF Strategic Language List (refer to myPers Knowledge Article "22839" to review the AF Strategic Language List at https://mypers.af.mil/app/answers/detail/a_id/22839/kw/22839) except when the language is identified by the supervisor

in the PD or in an approved AD-HOC situation. Prevalent in the Force languages are those as having sufficient capacity within the AF.

7.6. Authorize payments according to the rules outlined in Table 1. 1.

Table 1.1. AF Foreign Language Proficiency Pay Payment Rate Categories.

Proficiency (See note 1)	Payment Category A (See notes 2 and 4)	Payment Category B (See notes 3 and 4)
Skill Level	Bi-Weekly Payout for total of	Bi-Weekly Payout for total of
1/1	\$100.00	N/A
1+/1+	\$150.00	N/A
2/2	\$200.00	\$125.00
2/2+	\$250.00	\$150.00
2+/2+ OR 2/3	\$300.00	\$175.00
2+/3	\$350.00	\$200.00
3/3	\$400.00	\$275.00
3/3/3 or 4/4	\$500.00	\$300.00

NOTES:

1. Defense Language Proficiency Test scores required to assess proficiency; which includes any combination of the reading, listening, and speaking modalities.
2. Sustainment of Control Language listed on the PD.
3. Sustainment of Languages not listed on the PD in AD-HOC situations.
3. Payment for Ad-Hoc situations are paid in Lump Sum.
4. Foreign Language Proficiency Pay is for only one dialect per language. Pay for multiple languages only if a requirement for multiple languages is documented in the employee's PD.

7.7. Start and Termination of FLPP. FLPP starts on the date of qualifying certification. FLPP normally is authorized for up to 12 months.

7.7.1. Recertification earlier than the anniversary date will affect the eligibility period and rate based on the new certification. **(T-0)**

7.7.2. A variety of reasons may terminate FLPP. These reasons include, but are not limited to, change in qualification, changes in policy, departure from duties requiring language proficiency, and failure to test in a timely manner. Terminate FLPP when an employee vacates a language-coded billet.

7.7.3. Employees receiving FLPP are responsible for contacting their installation Test Control Officers or their CPS to terminate their FLPP payment upon removal from the position with a language requirement annotated in the PD. Failure to do so may result in overpayment, which will cause a debt to the employee.

Chapter 8

UNIFORMS FOR CIVILIAN EMPLOYEES

8.1. Wearing of Uniforms.

8.1.1. US citizen employees of the AF must wear uniforms when management officials determine that the nature of their work makes the wearing of a uniform necessary for the position, and thus makes the wear of a uniform a pre-established condition of employment. **(T-1)**

8.1.2. Air Force Reserve Command ART must wear the military uniform while performing civilian duties as an ART. **(T-1)**

8.1.3. US citizen employees of the AF in overseas areas (or employees being deployed to overseas areas) may be required to wear uniforms. The theater or air component commanders may determine it is in the best interest of the AF. Uniforms may be required, due to an actual or threatened outbreak of hostilities involving war, major civil disturbance (or other equally grave situations), or where the deployment of employees necessitates the wearing of uniforms in specifically defined geographic areas.

8.1.4. Direct hire employees of the AF who are not US citizens must wear uniforms when the overseas commander determines the mission necessitates the wearing of a uniform. **(T-1)**

8.1.5. Regardless of the length of appointment, employees do not normally wear uniforms. However, when specific work environments, as determined by the Commander, require the wear of a uniform for safety or a need to readily identify the employee with the work environment, wear of a prescribed uniform may be necessary (such as police officers or firefighters).

8.2. Furnishing Uniforms:

8.2.1. The AF must either furnish a uniform or provide a uniform allowance to all civilian employees required to wear a uniform. **(T-0)**

8.2.2. Normally, civilian employees are responsible for cleaning or laundering their uniforms at their own expense.

8.2.3. Procure uniforms locally in accordance with established AF supply procedures.

8.2.4. When renting uniforms, account for and process the rental in the same manner as other contractual services.

8.3. Establishing Uniform Allowances: AF functional authorities may develop specific functional guidance to establish uniform allowances, appearance and wear guidelines using the following criteria.

8.3.1. A uniform allowance helps the employee pay for the uniform. It must not exceed the maximum authorized under DoDI 1400.25, Volume 591. **(T-0)** The AF does not categorize uniform allowances paid under this instruction as pay, salary, or compensation.

8.3.2. To establish an allowance, consider the quality of each uniform item that the employee needs to maintain a satisfactory standard of appearance. Base the initial allowance on the costs

of the items that make up the required uniform. Be sure not to exceed the maximum allowance limitation.

8.3.2.1. The initial allowance is effective as of the date an employee must first wear a uniform and covers a one-year period from that date. Do not authorize the initial allowance to any employee or former employee who leaves a position before getting an authorized uniform allowance. **(T-0)**

8.3.2.2. A replacement allowance reimburses employees for those uniform items that need replacement because of damage or wear. Local activities establish wear out periods for replacing uniforms, normally the minimum period is one year. **Exception:** Damage to clothing items beyond acceptable appearance standards qualifies for a replacement allowance. Damage may include soiling not removable by commercial dry cleaning or soiling by flammable, toxic or other hazardous substances otherwise rendering the uniform item(s) unserviceable.

8.3.2.2.1. When establishing wear out periods, consider such factors as: environment (heat and cold); the likelihood that some items wear out sooner (for example, coat, hat, trousers); seasons (winter, summer); etc.

8.3.2.2.2. Set the replacement allowance to take into account locality, environment, amount of expense and frequency of replacement.

8.3.2.2.3. Provide the replacement allowance on an annual or quarterly basis. Be sure to pay it in full before the wear out period.

8.4. Authorize an annual allowance only for an employee who has the same uniform requirements throughout the year.

8.4.1. If an activity has provided an annual allowance and the employee leaves a job requiring the wearing of the same uniform, the employee may keep one-fourth of the payment for each quarter or portion of a quarter the employee held the job. The employee must return the balance of the annual payment. **(T-0)**

8.4.2. When employees are on extended leave, with or without pay, at the time a replacement allowance is due (quarterly or annually), and the supervisor has good reason to expect the employee will not return to work for at least 30 calendar days into the period, the activity shall withhold the replacement allowance. **(T-0)**

8.4.3. An employee who resumes their position before the end of the quarter is entitled to the replacement allowance for the quarter.

8.4.4. Employees who receive a replacement allowance on an annual basis do not receive payments until they return to work. **(T-0)** Their new annual payment cycle begins on the date they return to work.

8.4.5. Employees authorized quarterly replacement allowances, and who leave before the period of service expires, do not have to pay back the uniform allowance. **(T-0)**

8.5. Commanders determine the amounts of uniform allowances for eligible temporary employees. The commander's principle criteria are the employee's job requirements and the nature and length of the temporary employment. Commanders should keep allowances for temporary employees to a minimum. **(T-1)**

8.6. Uniform Allowances for Reemployed or Transferred Employees.

8.6.1. Commanders must ensure that transferred or reemployed employees do not receive a new allowance for identical uniform requirements, if the allowance overlaps a period for which the employee was previously paid an initial or replacement allowance. **(T-0)**

8.6.2. Employees transferred to or reemployed in a position different from the one they left may receive an initial uniform allowance. Employees who leave a position and are later reemployed or transferred to a position with identical or similar uniform requirements may receive an initial uniform allowance if at least one full year has passed since the end of the period covered by the last allowance payment.

8.7. Uniforms for US Citizens in Overseas Areas

8.7.1. Covered Employees. This chapter's requirements apply to all employees of US citizenship of the AF in overseas areas including those employees deploying to an overseas area who are paid from appropriated funds.

8.7.2. The purpose of the uniform is to readily identify AF employees as members of the civilian component of the US Forces.

8.7.3. When to Wear the Uniform:

8.7.3.1. Employees wear uniforms in specially designated areas when prescribed by theater or air component commanders in the best interest of the AF and as a precautionary response to actual or potential hostilities or as a necessary part of a deployment.

8.7.3.2. Employees assigned to overseas areas normally do not have to wear a uniform before reporting to the overseas duty location. **(T-1)**

8.7.3.3. MAJCOM or COCOM Commanders or their designees may authorize uniforms for US citizen employees whose assigned duties require participation in exercises in supporting overseas deployments.

8.7.3.4. Unless otherwise approved, US citizen employees may not wear uniforms outside of an overseas area. **(T-1)**

8.7.3.5. Theater or air component commanders may authorize uniforms for employees of citizenship in a specific overseas area to ensure that the personnel of all military departments in the area receive equitable treatment.

8.7.3.6. Employees must wear the uniform according to administrative instructions. **(T-0)** Local instructions that direct AF military personnel on the wearing of a uniform, will apply equally to civilian employees when the local commander so instructs. **(T-1)**

8.8. Allowances for Uniforms. MAJCOM or COCOM Commanders or their designees and theater or air component commanders may authorize the appropriate installation officials to furnish uniforms or pay a uniform allowance to civilian employees.

8.9. Purchasing the Uniform. Commanders who prescribe a specific uniform or uniform item must ensure civilian employees can purchase the required uniform items. **(T-0)** Authorize employees to purchase available uniform items through the Army and Air Force Exchange Service.

8.10. Issue Items. Commanders may issue employees organizational and field clothing and equipment on a loan basis.

8.11. Exceptions. Send requests for exceptions through the MAJCOM/A1 or COCOM/J1 to AF/A1CM.

SHON J. MANASCO
Assistant Secretary,
(Manpower and Reserve Affairs)

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

Title 5 USC, *Government Organization and Employees*, Current edition

5 USC, Section 552a, *Records maintained on individuals*, current edition.

5 USC, Chapter 43, *Performance Appraisal*, Current edition

5 USC, Chapter 53, *Pay Rates and Systems*, Current edition

5 USC, Section 5307, *Limitation on certain payments*, Current edition

5 USC, Chapter 55, *Pay Administration*, Current edition

5 USC, Sections 5551, *Lump-sum payment for accumulated and accrued leave on separation*, Current edition

5 USC, Section 5552, *Lump-sum payment for accumulated and accrued leave on entering active duty; election*, Current edition

Title 10 USC, Section 1596a., *Foreign Language Proficiency: Special Pay for Proficiency Beneficial for other National Security Interests*, Current edition

Title 10, USC, Subtitle D, *Air Force*, Current edition

Title 5 CFR, *Administrative Personnel*, Current edition

5 CFR, Part 293, Subpart A, *Basic Policies on Maintenance of Personnel Records*, current edition

5 CFR, Part 351, *Reduction in Force*, Current edition

5 CFR, Part 352, *Reemployment Rights*, Current edition

5 CFR, Part 430, *Performance Management*, Current edition

5 CFR, Part 432, *Performance Based Reduction in Grade and Removal Actions*, Current edition

5 CFR, Part 530, *Pay Rates and Systems (General)*, Current edition

5 CFR, Part 531, *Pay under the General Schedule*, Current edition

5 CFR, Part 532, *Prevailing Rate Systems*, Current edition

5 CFR, Part 536, *Grade and Pay Retention*, Current edition

5 CFR, Part 534, *Pay Under Other Systems*, Current edition

5 CFR, Part 550, *Pay Administration (General)*, Current edition

5 CFR, Part 575, *Recruitment, Relocation, and Retention Incentives; Supervisory Differentials; and Extended Assignment Incentives*, Current edition

5 CFR, Part 752, *Adverse Actions*, Current edition

OPM Operating Manual, *Pay and Leave, Pay Systems*, Current edition

DoDD 1400.25, *DoD Civilian Personnel Management System*, Certified Current 1 December 2003

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DoD Instruction 1400.25, Volume 591, *DoD Civilian Personnel Management System: Uniform Allowance Rates for DoD Civilian Employees*, 12 March 2009

DoDI 1400.25, Volume 1230, *DoD Civilian Personnel Management System: Employment in Foreign Areas and Employee Return Rights*, 26 July 2012

DoDI 1400.25, Volume 3006, *DoD Civilian Personnel Management System: Cyber Excepted Service (CES) Compensation Administration*, 15 August 2017

AFPD 36-1, *Appropriated Funds Civilian Management and Administration*, 18 March 2019

AFI 23-101, *Air Force Material Management*, 12 December 2016

AFI 33-360, *Publications and Forms Management*, 1 December 2015

AFI 36-807, *Scheduling of Work, Holiday Observances, and Overtime*, August 25, 2015

AFI 36-1101, *Civilian Intelligence Personnel Management System*, 29 April 1994

AFI 36-4001, *Air Force Language, Regional Expertise & Culture Program*, 2 September 2014

AFMAN 33-302, *Freedom of Information Act Program*, 26 April 2018

AFMAN 33-363, *Management of Records*, 1 March 2008

Air Force Personnel Center, myPers, *AF Guide to Civilian Workforce Planning*

Air Force Personnel Center, myPers, *Knowledge Article 22839*

AF Civilian Human Capital Self-Assessment Guide, Current edition

Office of Personnel Management's - *Federal Wage System, Appropriated Fund Operating Manual*, current edition

Prescribed Forms

None

Adopted Forms

AF Form 847, *Recommendation for Change of Publication*

SF 50, *Notification of Personnel Action*

SF 1034, *Public Voucher for Purchases and Services Other Than Personal*

Abbreviations and Acronyms

AF/A1—Deputy Chief of Staff, Manpower and Personnel

AF—Air Force

AFI—Air Force Instruction

AFMAN—Air Force Manual

AFPC—Air Force Personnel Center

AFPD—Air Force Policy Document

AF/RE—Chief of Air Force Reserve

AF SLA—Air Force Senior Language Authority

ART—Air Reserve Technician

CFT—Career Field Team

CLG—Change to lower grade

COCOM—Combatant Command

COLA—Cost-of-Living Adjustment

CFR—Code of Federal Regulations

CPO—Civilian Personnel Officer

CPS—Civilian Personnel Section

CSA—Central Salary Account

DCIPS—Defense Civilian Intelligence Personnel System

DoD—Department of Defense

DoDD—Department of Defense Directive

DoDI—Department of Defense Instruction

EOD—Entrance on Duty

eOPF—Electronic Official Personnel File

FLPP—Foreign Language Proficiency Pay

FWS—Federal Wage System

GS—General Schedule

HAF—Headquarters Air Force

HPR—Highest Previous Rate

HR—Human Resource(s)

HQ USAF—Headquarters United States Air Force

ICTAP—Inter-Agency Career Transition Assistance Program

MAJCOM—Major Command

MPR—Maximum Payable Rate

NAF—Non-Appropriated Fund

NGB/CF—Director of the Air National Guard

OPM—Office of Personnel Management

PD—Position Description

PPP—Priority Placement Program

RIF—Reduction in Force

RPL—Reemployment Priority List

SAF—Secretary of the Air Force

SAF/MR—Assistant Secretary of the Air Force for Manpower and Reserve Affairs

SF—Standard Form

SQA—Superior Qualifications Appointment

US—United States

USC—United States Code

WGI—Within-Grade Increase

Terms

AD-HOC—Personnel called upon to use their foreign language skills in situations such as emergency, unplanned, or contingency operations where Air Force civilian employee's foreign language skill is required to support the mission. Rotational or regularly planned deployments do not constitute an ad-hoc situation. Use of language skill, including Prevalent in Force languages, during execution of regularly assigned duties does not constitute an ad-hoc use of language skills. Consider coding billets to include required language skills. Deployment or temporary duty orders annotating a language requirement does not constitute ad-hoc use of language skills.

Agency—Term used to describe the Department of the Air Force in this publication.

Air Force Re-promotion Rule—Pay-setting rule that allows an employee who previously held a position on a permanent basis under career or career-conditional appointment at or above the grade level to be filled to be non-competitively promoted. The CLG must have been involuntary and taken as the result of a Transfer of Function, RIF, military spouse relocation(s), or a reclassification action. **(T-0)**

Air Force Senior Language Authority (AF SLA)—The Deputy Chief of Staff, Manpower, Personnel and Services, Directorate of Force Development (AF/A1D) serves as the AF SLA in accordance with AFI 36-4001.

Air Reserve Technicians (ARTs)—Full-time civilian employees who are also active members of the Air Force Reserve unit in which they are employed. In addition to their civilian assignments, they hold a military assignment to equivalent positions in the reserve organization with a reserve

military rank or grade. They play vital roles in the combat readiness of their reserve unit by training other reservists and serving as mobilization assets upon unit mobilization.

Change to Lower Grade—For GS employees: the non-competitive movement of an employee while continuously employed from (a) one GS grade to a lower GS grade, with or without reduction in pay, or (b) a higher representative rate in another pay system to a lower representative rate within a GS grade. For FWS employees: the non-competitive movement of an employee while continuously employed to (a) lower grade under the same wage schedule, whether in the same or different wage area, or (b) to a job or grade with a lower representative rate under a different pay system.

Conversion—A personnel action where an AF employee receives another appointment (for example, temporary to career-conditional) without a break in service of more than three calendar days.

COPPER CAP—The COPPER CAP program is an intern program designed to develop well-qualified, high-potential, and highly motivated individuals to occupy full performance level positions in the contracting career field.

Existing Rate of Pay—Rate of pay (for example, current salary including locality) received immediately before the effective date of a transfer, promotion, CLG, WGI, or (for FWS) revision of a wage schedule.

Federal Wage System—Pay system for employees working in trades, crafts, skilled and unskilled laboring positions. FWS employees' have an hourly pay rate and their pay is determined by the prevailing rate paid to employees working under similar conditions in the same local area. Prevailing rate positions are appropriated fund positions composed of a non-supervisory grade (Wage Grade), leader grade (Wage Leader), and a supervisory grade (Wage Supervisor). Non-supervisory and leader regular wage schedules have 15 grades and 5 rates of pay. Supervisory regular wage schedules have 19 grades and 5 rates of pay.

Foreign Language Proficiency Pay—Critical Air Force competency capability-based, monetary incentive available to managers to help recruit and sustain a civilian workforce with foreign language proficiency in areas of strategic interest. The pay provides an incentive for civilian employees to maintain their language proficiency.

General Schedule—Pay system for employees who work in positions classified in administrative, clerical, professional, and technical occupations. The GS is a schedule of annual rates of basic pay, consisting of 15 grades, designated "GS 01" through "GS 15" with ten rates of pay (designated as "steps") for each grade.

Government-wide FWS Mandatory Promotion Rule—Pay-setting rule where upon promotion, pay is set at a rate that exceeds the FWS employee's existing scheduled rate of pay by at least four percent of the representative rate of the grade from which the employee is promoted. If exceeding the top step of the grade, set pay at the top step. This rule only applies for a promotion to a FWS position. It does not apply in the promotion of a FWS employee to a position in another pay schedule.

Government-wide General Schedule Mandatory Promotion Rule—Pay-setting rule where upon promotion, set pay at a rate that exceeds the GS employee's existing rate of pay by at least two step increases (approximately a 6% increase in pay). If exceeding the top step of the higher

grade, set pay at the top step. Upon promotion of a GS employee to a FWS position, determine pay by selecting the lowest FWS step that exceeds the employee's existing rate of pay by four percent of the previous GS representative rate of the grade.

GS Maximum Payable Rate—Lowest rate on the current pay scale of the employee's grade that is equal to, or exceeds his or her HPR.

Highest Previous Rate—Rate received by an employee on a regular tour of duty while serving on an appointment not limited to 90 days or less; or the employee has served at least 90 continuous days under one or more appointments without a break in service. Consider GS locality rates in applying the FWS HPR rule when the HPR is earned on the GS pay system. **Note:** Establish pay under these conditions with caution. Before setting the pay, consult 5 CFR, Section 531.203(c) and (d) for General Schedule employees, and the Office of Personnel Management Operating Manual - Federal Wage System, Subchapter 8-3c and "e" for FWS employees.

Locality Pay or Locality Rate—Consider locality pay an employee's rate of basic pay for the purposes described in Title 5, CFR, Part 531.610, *Treatment of locality rate as basic pay*, current edition.

Mandatory Restoration—Situation where employee is entitled to reemployment, restore their employment status as if they never left Federal civilian employment.

New Appointment—First appointment, regardless of tenure, as an employee of the Federal government or the government of the District of Columbia. Appointment may be temporary or permanent.

One Cent Rule—Pay-Setting rule where the minimum pay raise on promotion from FWS to GS is one cent higher than the employee's current rate of pay.

PALACE Acquire—The PALACE Acquire Program hires are provided United States Air Force funded training before being outplaced into a permanent funded position. The program is designed to attract men and women with management potential to careers as Federal employees with the United States Air Force. This objective is accomplished by recruiting and selecting high-caliber candidates and training them to become competent, effective, and productive employees in a variety of career fields. It provides training and developmental opportunities necessary to gain the knowledge, skills, and abilities predictive of successful performance. The program provides promotional opportunities for PALACE Acquires who successfully complete required training and developmental assignments.

Physician and Dentist Pay Plan—Pay plan that blends the authorities of Title 5 USC and Title 38 USC to provide the (DoD) with a viable compensation system designed to enhance its recruitment and retention of highly qualified medical professionals. Assign physicians and dentists to a table or tier pay structure based on their specialty and the scope of their responsibilities. The tier is the pay range that reflects the different professional responsibilities or their administrative duties. There may be up to four tiers for each table in the compensation structure.

Position Description—A document that describes general tasks or related duties and responsibilities of a position.

Prevalent in the Force—Languages identified on the Strategic Language List as having sufficient capacity within the Air Force.

Program S—The DoD Military Spouse Preference Program is the only means by which eligible spouses will receive preference for competitive service positions. **(T-1)**

Promotion—For GS employees: the movement of an employee while continuously employed from (a) one GS grade to a higher GS grade or (b) a lower rate of pay under another pay system to a higher rate within a GS grade. For FWS employees: the movement of an employee while continuously employed (a) to a higher grade under the same type of wage schedule, whether in the same or a different wage area, or (b) to a grade in a pay system with a higher representative rate.

Rate of Basic Pay—For GS employees: rate of pay fixed by law or administrative action for the position held by an employee before any deductions and exclusive of additional pay of any kind. For FWS employees: rate of pay fixed by law or administrative action for the position held to include any night and environmental differential pay.

Reassignment—Movement of an employee with continuous employment in the same agency from one position to another without promotion or CLG.

Reemployment—Employment of an employee after a break in Federal civilian service.

Reinstatement—Reemployment of a former employee based on the employee's previous career or career-conditional employment.

Representative Rate—Rate used to determine the nature of a personnel action (e.g., promotion, CLG, or reassignment) involving different kinds of pay schedules. The representative rate for GS is Step 4 and Step 2 for Federal Wage System.

Special Salary Rate Schedule—Pay schedule which provides higher pay rates to address recruitment or retention problems across a General Schedule occupation resulting from higher non-Federal rates, remoteness of location, undesirable working conditions, or other circumstances according to an OPM determination.

Special Needs Appointment—Officials may determine that a candidate fills a special agency need if the type, level, or quality of skills or competencies, or other qualities and experiences that are relevant to the requirements of the position. Furthermore, these qualities are essential to accomplishing an important agency mission, goal, or program activity, or the candidate meets workforce needs according to the agency's strategic human capital plan.

Strategic Language List—DoD listing of approved languages for entitlement of FLPP.

Superior Qualifications Appointment—Appointment of a specific individual with superior qualifications for a position, with pay set at a rate above the minimum rate.

Supervisory Differential—Special adjustment paid to a GS employee responsible for providing direct, technical supervision over the work of one or more civilian employees not covered by the GS pay system. See the following authorities: Title 5, CFR, Part 575.404, *Use of authority*, current edition; Title 5, CFR, Part 575.405; Title 5, CFR, Part 575.406; and Title 5, CFR, Part 575.407, *Records*, current edition.

Term—A term appointment is for a period of more than 1 year but not more than 4 years to positions where the need for an employee's services is not permanent.

Temporary—To fill a short-term position (for example: one that is not expected to last longer than 1 year).

Test Control Officers—Work closely with CPSs with scheduling and conducting annual Defense Language Proficiency Tests to include informing CPSs on the start date of employee's qualifying certification.

Transfer—Movement of an employee, without a break in service from one branch of the Federal Government (Executive, Legislative, Judicial) to another, or from one agency to another.

Uniform—A prescribed identifying set of clothing for the members of an organization, such as soldiers or workers.

Windfall—When an employee takes a voluntary CLG and if HPR were used to set pay in the lower grade. When you apply the two-step promotion rule upon re-promotion, the employee would gain additional steps and progress more rapidly through the steps than if they had not taken the voluntary CLG. When re-promoted the employee could receive a significant increase in pay in a short period-of-time.

Workforce Planning—Systematic process by which management and HR professionals work together to ensure that organizations have the right number of qualified people in the right jobs at the right time.

Attachment 2
SETTING RATES OF PAY

Table A2.1. Setting Rates of Pay (*for rules on tier levels, refer to specific chapters*).

Note: Use this table along with appropriate section for comprehensive policy guidance.				
RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
1	New Appointment			Step 1
1A		Upon approval of Superior qualifications or special needs, or lead agency designation of FWS minimum step rate above Step 1		A Step other than Step 1
2	Reemployment (voluntary separation)	To a permanent appointment		HPR or GS MPR rule determines the rate, whichever is most beneficial
2B		To a term appointment	Break in service of 2 years or less	HPR or GS MPR rule determines the rate, whichever is most beneficial, if HPR or GS MPR earned in the last two years
2C			Break in service of more than 2 years	Step 1
2D		To a temporary appointment	Break in service of 2 years or less	HPR or GS MPR rule determines the rate, whichever is most beneficial, if HPR or GS MPR earned in the last two years
2E			Break in service of more than 2 years	Step 1

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
3	Reemployment (involuntary separation)	Placement from PPP, (except for Program S, military spouse), and ICTAP		A step at least equal to the current rate for the grade and step held at separation or top step if it is greater. Compare this to HPR or GS MPR, setting pay at rate providing greatest benefit.
3A		Placement from RPL		
4	Re-employment (mandatory restoration rights)			A rate at least equal to the rate the employee would be receiving if he or she never left Federal civil service
5	Re-employment (injured worker)	Employee is receiving workers compensation	Reemployed at last grade held and then changed to lower grade	Pay retention
6	Conversion at the same grade	Employment is continuous	Offer is to permanent or temporary appointment	The step at least equal to the Current step
6A			Converting FWS employee from one wage area to another	The wage rate of the gaining activity
6B		From temporary to permanent appointment		The step at least equal to the Current step. Set pay to include WGI if time requirement met under temporary appointment.

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
7	Conversion to a higher grade			One of the following rates: Government-wide GS mandatory promotion rule, FWS promotion rule, AF re-promotion requirement, HPR, or GS MPR rule, whichever is the most beneficial. Set pay at the step at least equal to current rate.
8	Conversion to a lower grade		New position has no promotion potential	If the existing rate of pay falls between two steps, pay is set at the higher step.
8A			From temporary to permanent appointment	Step of the lower grade which upon re-promotion will not exceed that previously held in the higher grade (T-0)
8B		CLG from a permanent (non-temporary appointment)	Employee is otherwise eligible	Grade or pay retention
9	Reassignment	Within same wage or GS locality pay area		No change in pay
9A		From regular to special pay schedules	Action is voluntary	The same step in the special schedule as in the regular schedule
9B		From special to regular pay schedules	Action is voluntary	The same step in the regular schedule as in the special schedule
9C			Involuntarily reassignment of employee	Pay retention

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
9D	Reassignment	Change between wage areas	Move is to wage area with higher rates	The new wage area rate for grade and step
9E			Move is to wage area with lower rates	Rate at least equal to existing rate before the move but no higher than Step 5 of the new wage area
9F		Changes between GS locality areas		Base pay plus locality rate for the new area
10	Promotion	From GS to GS position		Step that exceeds existing pay by at least two steps, but no higher than Step 10, HPR, or GS MPR, whichever is most beneficial to the employee
10A		From FWS to FWS position		Step that exceeds existing pay by 4% of the representative rate of the previous grade, but no higher than Step 5, HPR, or GS MPR, whichever is most beneficial
10B		From FWS to GS position		The rate that exceeds existing pay by one cent, HPR, or GS MPR, whichever is most beneficial
10C		From GS to FWS position		The lowest FWS Step that exceeds the employee's existing rate by 4% of GS representative rate of current position, HPR, or GS MPR, whichever is most beneficial

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
10D	Promotion	From regular to special pay schedule		On the regular pay schedule, determine the step of the new grade using the GS Two-Step rule; use this Step of the special schedule, or HPR, or GS MPR, whichever is most beneficial
10E		From special to regular pay schedule		On the special pay schedule, determine the step of the new grade using the GS Two-Step rule; use this step of the regular schedule, or HPR, or GS MPR, whichever is most beneficial
10F		Air Force Re-Promotion requirement	Following involuntary CLG	A rate at least equal to the current rate of the grade and step from which demoted
10H			Employee's retained pay is higher than top step of new grade	Remains on retained pay
11	CLG	Action is voluntary	New position has no promotion potential	Unless entitled to grade or pay retention, pay will be set at the step of the lower grade equal to or greater than the employee's existing rate of pay (T-0)
11A			Employee enters a formal training program or Developmental Opportunity Program	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention.

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
11B	CLG		Employee accepts lower grade for non-disciplinary reasons related to ill health or physical or mental inability	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention.
11C			Position is “hard-to-fill”	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention.
11D			AF employee is referred and selected from a career program certificate	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention.
11E			Non-competitive management directed action placing employee in a centrally managed position.	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention.
11F			AF employee returning from overseas assignment according to terms of a pre-established agreement	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention.
11G			Employee accepts lower grade to lessen impact of RIF	Grade and pay retention

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
11H			Returning employee to permanent grade after temporary promotion lasting more than 1 year	HPR or GS MPR rule determines the rate, whichever is most beneficial
12	CLG	Involuntary action	Action caused by employee's failure to perform acceptably or for disciplinary reasons	Rate from Step 1 up to step of the lower grade which if re-promoted will not exceed that previously held in the higher grade (T-0)
12A			RIF, Reclassification	Grade and pay retention when requirements are met
12B			Failure to Successfully Complete Supervisory or managerial probation	Use government-wide minimum Requirement
12C			DoD employee accompanying military or civilian sponsor	If the existing rate of pay falls between Two Steps of the lower grade, pay will be set at the higher Step. (T-0) Pay will be set at an even higher Step in the lower grade, in accordance with the HPR rule, if the employee has earned entitlement to a higher rate by service in another position. (T-0)
13	CLG	Competitive selection from a vacancy announcement	Position has promotion potential	Pay is set at a rate in the lower grade so that upon re-promotion the employee will not gain additional steps (T-0)